

To,

Date: 31<sup>st</sup> January, 2025

<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: Transcripts of the earnings call conducted after the Meeting of Board of directors on Tuesday, 28<sup>th</sup> January, 2025 at 04:30 P.M. (IST)**

Please find enclosed the transcripts of the earnings call conducted after the Board meeting held on 28<sup>th</sup> January, 2025 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  
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Surbhi Jain  
Date: 2025.01.31  
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Surbhi Jain  
Company Secretary & Compliance Officer



# InfoBeans Technologies Limited

Dec 31, 2024, Q3FY25 Earnings Conference Call

Management

Avinash Sethi, Co-founder

Krunal Sanghvi, Sr. Manager, Finance

Mridul Maheshwari, Manager, Corporate Development

Surbhi Jain, Company Secretary & Compliance Officer

Transcript

Surbhi Jain

Good afternoon, ladies and gentlemen. Welcome, everyone, and thanks for joining this Q3 FY '25 Earnings Call for 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, and we will be happy to send over it to you. To take us through the results of this quarter, we have 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 allow the 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 that reflects any outlook for the future can be considered as a forward-looking statement and must be used in conjunction with the 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 the SEBI and the subsequent annual report. With that said, I turn over the call to Mr. Avinash Sethi. Over to you, Avinash.

Avinash Sethi

Thank you Surbhi. Thank you everybody for joining this call. We appreciate your interest in InfoBeans. Let's start. I'll quickly run through the highlights of the company and then we'll talk about the results and then we'll open to Q&A.

InfoBeans was founded in 2000. We are 25 years organization now. We are globally known for AI-led design and engineering work. We strive to deliver meaningful work, and meaningful value to our customers using the best of the available software technology in the world. We are present in all the locations that you see on the map. In India, we are in five locations, in Europe, Frankfurt, the Middle East and Dubai, and USA and Bali, Silicon Valley, and New York.

Next, please. Just a quick road map of what we have been doing and achieved in all these years. The first 10-12 years were more foundational and the real growth started after 2010 onwards. That is when we went to, you know, a world-class facility in Crystal IT Park in SEZ Indore. And then we went public in 2017 and acquired a couple of companies on the way. And then we almost touched 400 crores in 2023. We have onboarded Phaneesh Murthy, as an advisor to the board. He was the ex-CEO of iGate. And then just this month, we have onboarded Harmeet Bhatia, as a chief revenue officer in the Bay Area. We also achieved this CMMI level 5 maturity level for our project development processes.

Next Please. The quick numbers out here. Very large companies being our clients is one of the USP of InfoBeans. We have about 29 large enterprise clients that we work with. These are either billion-dollar businesses or billion-dollar valuation businesses. 90% repeat business for us, so that helps, you know, prove the client's trust, the great amount of trust that the client has on us. We have done two successful acquisitions. We

have 300 members who have been with us for five years or more. We are listed on both the stock markets. Financials - nine months for 24-25, 302 crores in revenue, 60 crores in the EBIDTA, 28 crores in the PAT, 242 crores of cash and cash equivalents that includes 76 crores of AR accounts. Mostly these are good. And we've been doing a CAGR of 26% in the last five years.

Several awards and partnerships which are worth mentioning. We are a Salesforce Platinum Partner, and a Servicenow premier partner. We have been receiving awards like Great place to work for many, many years. We are also one of the Best companies for women in India, Dream Companies to work for multiple times and recently got CMMI-Level 5 award as well.

These are the areas that we focus on, software services including web and cloud, user experience and design work, rapid prototyping ability, which is a special ability that we have. AI-enabled solutions around generative AI, GitHub, CoPilot and so on. Platform solutions like Salesforce and ServiceNow Consulting, and then RPA, automation, DevOps, CICD and QA work. These are the abilities that we offer to our customers globally.

Next, please. So some of the key updates for the quarter. We got CMMI-Level 5 appraised for this quarter. Six clients were on-boarded, two European customers, which are large enterprises, two U.S.-based large enterprises, and two U.S.-based SMEs. On-boarded, Harmeet Bhatia, I just mentioned. Sponsored ServiceNow World Forum in Dallas. We are playing an active role in the ServiceNow and Salesforce area, and selectively picking up conferences where we actively participate as a sponsors also. Participated in the World Standards Day. A good number of customers are standard-compliance companies, so we are active in that space as well. On the ESG and CSR front, we continue to make our contribution.

Next, please. This is the board of directors. Again, a very highly experienced core team, which we are very proud to have. They have a big time at InfoBeans and they are the leaders who are responsible for growing the business to the next level.

A new one joining on the board. He was working as a head of sales for Jade Global in the U.S., and now he joined us. He brings 30 years of experience in sales, marketing, and business development, particularly in IT services.

All the clients have been with us for quite a long time. The average age for our large customers is 9 years. 90% of our clients are repeat customers, and it goes a long way in terms of establishing our presence with the customers.

A quick look at the numbers. December 23 versus December 24, YoY has grown by 6% on the revenue side, 12% on the EBITDA side, and about 27% on the PAT side. There might be some rounding errors here, so 3% might seem like 2%, but it is because of the rounding that the percentages are different. But we'll see the details at the end of the next slide. Here are the actual numbers without decimals. If you look at it, our revenue from operations has grown by 8 crores from 89 to 97. However, it is slightly lower as compared to September 24 quarter. The other income has reduced to 3 crores from 5 in December 23, and the total revenue is 100 crores in December 24 as compared to 94 in 23. It is slightly lower as compared to September 24. December quarters are usually lower quarters in terms of the billing availability and the number of billing hours available for the month or the quarter, because of Dussehra, Diwali, holidays in India, and then Thanksgiving and Christmas holidays in the U.S. Plus, a couple of customers, you know, do a two-week shutdown towards the end of the year, like, from 16th of December to 31st of December, they do a shutdown. Therefore, there cannot be any billing that can be done for these customers. So, because of these, you know, drop in billing hours, that billability is lower and then the revenue is lower. So, which is usually the case every December quarter, we will see a lower number as compared to the previous quarter. So, nothing to worry in that sense. In fact, I find it extremely good that we've been able to move the needle significantly from 89 crores to 97 crores

between December to December quarters. EBITDA improved, and same is the fact, we have been able to improve that. Note that our approval cycle hit in October, and therefore, this quarter has the impact of increasing payroll cost across the company. And despite that, we've been able to have a better margin as compared to December 23. So, better utilization and cost optimization efforts have yielded good control on the cost so far.

Next Please. This is a breakup. Interestingly, Europe is, you know, increasing the pie, the size of its pie. Usually, a year ago, I would say 80% was US, 10% was Europe, and 10% was UAE plus India. Today, both UAE and Europe are increasing their share in the pie, and US is slightly reduced. By segment, we are more or less 50-50 between digital transformation and product engineering. And by business, InfoBeans Cloudtech has shown a slight dip. It used to be 18%, now it is 15% right now.

Next, please. CMMI level 5, we talked about it next. This is the conference I was talking about. We sponsored the ServiceNow World event, World Forum in Dallas, and here we have a team from Agenio including US team putting together the show. We attended the Standard Development Conference and pitched to ANSI, which is the standard body there.

Next Please. We hosted a coding hackathon for students of high school, which was the largest high school conference in India, and it was a good experience. The students really loved the coding experience.

Next Please. We have a practice where we plant a tree for b'days for each of our team members. So, we have a score of planting 346 trees in the last quarter.

This is the public information as of 31st December, 2024.

Next, please. We are open to questions and answers, and I will ask Surbhi & Mridul to coordinate.

Mridul Maheshwari

Participants can kindly raise their hands to ask the question. We would request you to limit your questions to two so that we can address as many questions as possible. The first question comes from the line of Rajesh Chaudhary. Rajesh, kindly ask your question

Rajesh Chaudhary

Yeah, good evening. My question is like, why your profit after tax margins are very less as compared to year on year will this trend continue or can we see an increase in the profit after tax margins?

Avinash

I didn't get the question, Do you mean profit is less?

Rajesh Chaudhary

Profit after tax margin I am talking about it is, if you see the year-on-year figures and it is quite low. I understand on a sequential basis it is on parity but year to year basis.

Avinash

The PAT margin we are working hard to improve and if you look at the September quarter we were doing much better. I think it is also a factor of the revenue, if we can, if we have any increase in revenue all of that will go to the PAT or more or less it will go to the PAT. So we are, I would say, running a very tight ship at this point in time where most of the cost is adding to the revenue, most of the cost is contributing to generate revenue and anything additionally that we generate on the revenue side we will be able to go back to the PAT. That is one way to look at it. The second way to look at it is, since we have intangible assets on the books, by real acquisitions of two companies, we have a significant portion of amortization that we do every year and I think every six

months we present a number of the real cash heading to the books versus the PAT. We do a much better cash accumulation over the years and I think the best way to look at it is EBITDA margins. Are we improving on EBITDA margins or not? And the target is to stay around 23-24% EBITDA margins and any increase in revenue will immediately add to the EBITDA margins. So PAT is not a very good picture of what the business is. Another factor is we have certain units which are tax-exempt and certain units which are not tax-exempt. So at some point in time, some units generate more profit and other units don't generate enough profit. So it depends on which zone it is generating more profit and whether it is highly taxed or it is lower taxed. So again, PAT is misleading in this market. EBITDA is a better indicator.

Rajesh Chaudhary

And the second question is like I think we onboarded six new clients. So what would be the revenue contribution from these new clients?

Avinash Sethi

See we are a services company and typically any new client that starts with us will start with a small project. And these projects, typically when I look at all these six clients, we probably are looking at 100K to 200K worth of work to begin with. And eventually it increases. So it is kind of a test of position and test of business where we give small work to begin and then it flies off quickly.

Rajesh Chaudhary

Okay. Yeah. Thank you all the best. Thank you. Thank you.

Mridul Maheshwari

Thank you, Rajesh. The next question comes from the line of Devansh. Devansh, kindly ask your question.



Devansh

Hi, Avinash. How are you?

Avinash

Very well, Devansh

Devansh

It's good to see the growth in Infobeans over the last few years. There has been growth. So that's very good. I just had a question. So what was the net change to our employee count this quarter? Is there been any net change?

Avinash

Yeah, so we reduced our net count by 43 people to be precise. We have done a bit of a cost optimization here.

Devansh

And the second question was on the CMMI accreditation of level 5. How do you see that flowing down into revenue and profit growth over the next few years? If you could just explain that, it'll be great.

Avinash

It is difficult to put a number to it, Devansh. What happens is when you get such certifications, it's kind of a credibility enhancer. So we were growing with the CMMI level 3. But did we grow well from no certification to CMMI level 3 certification? Definitely yes. Was it purely because of CMMI level 3? The answer is no. Whether we are going to grow from CMMI level 3 to CMMI level 5 in terms of revenue, only because of

that, the answer will be no. But does it really help? It certainly yes. So it is very difficult to put a number to it. But yes, it is, you know, enhancing the credibility of your presence. So when I'm going to pitch my company to a new customer, they'll be happy to see that I'm a CMMI level 5 company. And I have at least get a chance to be heard. That possibly, yeah, is better. But whether I can attribute everything to or attribute any number to this, it is difficult.

Devansh

Okay, thank you. Just the last question was, are we continuing to look for acquisition targets? And has there been any update? Because two quarters back, we were looking to expand into AI offerings. And we've partnered with a company there. But are we also looking at any acquisitions? And if you could just explain your thought process behind the acquisition pipeline.

Avinash

Yes, we do. We continue to look at acquisition opportunities. And I think we maintain our stance that, you know, if it is suitable, and it is falling in our, you know, fitment, then only we will acquire. We will not acquire just because we have money, just because we are not growing organically, or just because the market is putting a lot of pressure on us. We will not do that. But the right fitment and the right value is what we are looking at. We are very actively searching for companies in ServiceNow and Salesforce space. But yeah, we have not been able to close anything so far. But it is still a part of our active strategy.

Devansh

Understood. Thank you. Thank you.

Avinash Sethi

Thank you very much.

Mridul Maheshwari

The next question comes from the line of Shashi Bhushan. Shashi, kindly ask your question.

Shashi Bhushan

Hi, team. This is Shashi Bhushan. I have two questions. Are you able to hear?

Avinash

Yes.

Shashi Bhushan

Yeah, my first question is, last quarter, you told actually, next coming quarter, September to December, you told max margin, one or two percent will drop. But I can see almost four and a half percent dropped actually, operating profit, 19 to 14.5. And that too you mentioned, I think you ignored some Indian projects actually, because that project is not generating margins, correct? But here I can say, almost four and a half percent operating margins. You told already appraisals, but it won't impact something like that, max two to three percent. But I can see, able to see 4.5 percent margins. Yeah, can you elaborate?

Avinash

See, there is an impact of, there is a, let me give you a number. There's about 3 crores of quarterly impact because of the appraisals. Now, if I were to look at revenue, we have seen a drop of 3 crores from the last quarter, so had we been able to maintain a similar top line, there would have been a little impact on the bottom line. Now I also mentioned that we reduced the headcount by about 43 people, so we would have saved some money from there as well, however having said that, the idea is not to reduce the business size, the idea is to improve the business size. Now we have hired Harmeet as

the CRO and we will have more salespeople coming and joining us. So that will impact the margin definitely for that quarter, but if I were to look at a longer period, at least 12 to 18 months, we will be able to recover everything that we have spent in the initial quarters in order to grow the business. So I don't think a business can be run on a quarter-to-quarter basis, a business has to be seen in the light of the investment that you are making and how it is going to create an impact in the longer run. You know one quarter, one client, a good client in a quarter can change the margins very very quickly. But if I were to look at a pattern over a longer period, then only I will be able to do justice to the decisions and the business that I am doing here. So I think it is difficult to maintain that mathematical progression in a quarter to quarter. It is always going to be up and down, but in the longer run, if you draw a line, then you will find that it will be going in a certain direction, which is the direction of the business.

Shashi Bhushan

Yeah, my last question actually, I can see in margins, I think at that time as an investor, it was a very good day, we can say 21-22 March, it was awesome actually, 22-24% actually margins. So can we expect at least 20% margin coming 2-3 years, at least margins? Because nowadays we can see max since last 2-3 years, 17-18 only, correct?

Avinash Sethi

Yeah, we are striving for that, we want to have our EBITDA margins cross 23-24% and that is our goal. We want to achieve that number, but at the same time, as I said, we want to achieve that number in a sustainable manner and therefore whatever investments that are required to reach that kind of a position, we continue to do that. And that would mean that there might be pain in the short term, but it will recover in the long term. Now if I go back to the time we were talking about in the year 21-22, that was a time when there was a great demand coming in, people were working remotely, at the same time, there was a great demand of team members also. So both businesses were flying high, as well as both on the revenue side and as well as on the people side. Now what this has created is a very high-cost environment for IT industry, where the developer cost is almost doubled in just less than 2 years I would say. Between 22-24,

the cost has almost doubled. Now in that environment, obviously you cannot maintain the same margin just off the bat. It has to, I mean we are passing on the cost to the customers slowly and gradually and the results have to be seen in the last three quarters, the margins have started to show improvements. Even though the revenue is not growing as fast, the margins are growing faster. So that is good news in a sense that yes, we are going in the right direction. Now how soon can we reach 24% and whether we will be able to maintain that quarter-on-quarter? I think it will still take some time.

Rupesh

Okay, so I have three questions broadly. So one, one question is, I mean, with in US now there is talk of you know, animal spirits in the economy are back, business confidence has gone up by you know, 30 40% like that. So how I mean, how is the environment now? Do you think now that in calendar 25 there will definitely be revenue growth, which will be, you know, more closer to our historical run rate? Are you now at least seeing the environment is supportive? That is question number one. Question number two is can you give me the utilization level now of our manpower? And question number three is can you talk about Agenio as I think Agenio was \$1.5 million business, I think in a Q1 if I have my numbers, right? So where where is that business? How is that business scaling up? So if you can address these three questions?

Avinash

Yeah, thank you, Rupesh. To talk about the animal spirits, I think it is more talk than the reality. Again, the media can always extrapolate certain situations with a lot of biases that they would have. But I think the cautious, my mood is still cautious in my mind. Customers are definitely looking positive because Trump has always been pro-corporates. So their environment is definitely there. I don't think it is animal spirits anywhere to be seen at this point in time. But regardless of that, the environment is better as compared to what it was six months ago. So that is one.

The second thing is about the utilization level. So we are at 79%. We are striving to improve it further. And the third thing is on the Agenio. Agenio is doing well. I don't know if I gave you any number. Even if I were to give you any number, it will be a more annual expectation. What has happened is we've struck another relationship with a parent of Agenio, which is called Materna. Materna is a group company, which does IT services in Germany. And Agenio is a subset in the subsidiary of Materna, which is focused only on ServiceNow. Now we have two levels of relationships. One is with Agenio only on ServiceNow work. And second is with Materna for multiple IT services work. So we are exploring with them whether we can work on design services, we can work on IT services related to all the open source technologies, also on AI-related work. So multiple levels of partnerships are being struck, both at the child and the parent side. So that's a good development. And you can see the European market, which is German revenue is almost doubled from what it used to be a year ago. So yes, good progress in that sense. And with now we are, you know, hoping that we'll be able to generate more sales from all the three geographies combined, because we are investing heavily in the sales side for the US, for Germany, and for the Middle East.

Rupesh

Okay, and then maybe I can ask one or two follow-ups quickly.

Avinash

Please come in the queue, I would say,

Rupesh

Okay. Yeah, thank you very much.

Mridul Maheshwari

Thanks, Rupesh. The next question comes from the line of Devansh Goenka.

Avinash Sethi

Devansh has already spoken. If you have somebody else, please have them.

Mridul Maheshwari

The next question comes from the line of Mitesh Gandhi. Mitesh, kindly ask your question.

Mitesh Gandhi

Hello, can you hear me?

Avinash Sethi

Yeah, Mitesh.

Mitesh Gandhi

Yeah, I just want to know what is the other income? Basically, it is an interest only or what?

Avinash Sethi

It is a combination of two things, interest income as well as any foreign exchange gain or loss that we get. It is a combination of two things.

Mitesh Gandhi

Because if we remove interest income which is around 3 in December quarter, the profit after tax will just be a 4 CR. So major element is that other income in 7, almost 50%. So what we feel is that other income is 50% of our total profit after tax.

Avinash Sethi

Okay

Mitesh Gandhi

So I mean, then what is the business is earning then?

Avinash Sethi

The other income money that the 165 crores has come from the business, my dear friend.

Mitesh Gandhi

Okay. Yeah, that we understood. But then now, as of now, if we just utilize that cash, the profit will be much higher actually, because we are showing that we have a cash balance of 290 crores, something like that.

Avinash Sethi

See Mitesh, that's what I'm saying. We can't look at the business quarter on quarter.

Mitesh Gandhi

Yeah.

Avinash Sethi

See, as I mentioned, we can't build customers in the holiday season. But that does not mean that the business is not doing good, right? If there are holidays, you got to live with those. Look at September 24, there is a PAT of 13 crores and there is other income, 4 crores. There is 9 crores and 98 crores. Is that good?

Mitesh Gandhi

Yeah, and I just want to know, I know the market price is different than what the business, but because today the result is published and it has given the impact on the share price directly.

Avinash Sethi

See, share price is a different matter altogether.



Mitesh Gandhi

Yeah, we understood. But since today the result has been declared, and we consider that this is what this other income, if we remove this as the business, and it has been impacted, it is showing the share price directly when we release the results.

Avinash Sethi

I can't really comment on that.

Mitesh Gandhi

Okay, fine.

Mridul Maheshwari

Avinash, do you want to emphasize on the EBITDA portion that generates the cash again?

Avinash Sethi

Yeah, I mentioned earlier also, PAT is not the right number to look at. You should look at the EBITDA number, which is telling you how much is the business generating on the operating side. And there is a significant portion of amortization that is also causing the PAT to reduce. So, that is how it should be looked at. Even if you look at 18 crores of EBITDA, remove 3 crores of the other income from there, 15 crores of EBITDA on 97 crores. I wouldn't find this problem here. Same goes with September 24, 19 crores on 98, quite a decent number.

Mitesh Gandhi

Thanks.

Mridul Maheshwari

Thanks, Mitesh.

The next question comes from Vikul Arora. Vikul, kindly ask your question.

Vikul Arora

Yeah, hi. Am I audible?

Avinash Sethi

Yes.

Vikul Arora

Avinash ji, just wanted to highlight that I'm not considering from quarter to quarter. If I look at the June Q2 FY23 to current quarter, it's been around 9 to 10 quarters. Our top line is not like we were rounding around 95 to 100 crore. So, if I compare with any other peers, small to mid to large cap, our revenue is not going somewhere else. If you can throw some light.

Avinash Sethi

Yeah, I agree with you Vikul on that and we are equally upset because of that. We have been trying multiple things and there have been one or the other clients moving away which is causing this pain. But at the same time, we've been able to get new clients who are able to fill the gap. However, the end result remains the same we are in that 95 to 100 crore range. Totally understand and totally agree with you. So, as I said, we are equally upset with that and therefore, if you look at the kind of changes that we are doing, including people like Phaneesh Murthy to guide us whether where are we going wrong, what are we missing, what are the things that we should be doing, how should we change the strategy direction, which geographies to focus on, which offerings to focus on and we have made those changes. We've got CRO Harmeet Bhatia as a chief

executive role, C role, C suite role and he is now a CRO at the America region. So, all these changes are in line with what you're saying which we are also trying to see how we can break this orbit and move to the next one. So, we have been working on these direction and I agree with what you're saying. It's like not even June, I think the March 22 till December 24, we are in that nervous 90s if I were to talk about that. But yeah, I am painfully aware of that. We are working hard in terms of changing and breaking this orbit.

Vikul Arora

So, I can assume like the same thrust that we were having at that time, same we are having now. We are not having any kind of, you know, mindset change.

Avinash Sethi

I didn't get it. What do you mean by that?

Vikul Arora

I'm saying the way we were doing the, you know, acquisition and growth at 2022 that time, we are also working towards in the same goal. That's what my question is.

Avinash Sethi

See, and I keep mentioning that. I probably have done it in the past also. We as founders, it is a gross injustice to us and to our shareholders if we are not investing in growth. Now, it does not mean that from March 22 to December 24, we have not invested in growth. We did and we, you know, didn't succeed in certain ways and certain methods. Therefore, we are getting more experienced people in the business and seeking their guidance and how to, you know, correct this particular hurdle. And that is the direction that we are taking. Obviously, we are committing you know, a lot of, I would say, resources to it. And hopefully, you know, this will change certain things in the time to come. But we are restless and we are, you know, upset. We are willing to crack this open and go to the next orbit and we are, you know, doing all that it takes, including the acquisition efforts. So, yes, both organic and inorganic growth, we are

investing heavily. And I think it's probably, you know, outcome will need to speak more than what I am speaking. So, there is nothing that I can add further at this point.

Vikul Arora

All right. So, related to M&A, earlier we had a kind of one or two pipelines, but in this presentation, we haven't any, uh, kind of, uh, I'm in the pipeline, so we are not having any kind of, uh, company

Avinash Sethi

Nothing worth mentioning right now, therefore we did not put anything this time. There is nothing that is going on. Uh, we were positive about a couple of pipelines last time. And therefore we used to mention that, but there's nothing at this point.

Vikul Arora

All right. Thanks for your explanation. Thank you. Thank you.

Mridul Maheshwari

Just one last question which we would take, because we are at the top of the hour, the next question comes from the line of Sagar. Kindly ask your question.

Sagar

Yeah. Sir, I just wanted to ask you, a similar question. Like if you look at your EBITDA margin, so if you include other income with your EBITDA margin, then your EBITDA margin is 18, 17%. But then again, then if you exclude the other income part, then your EBITDA margin is somewhere near 15%. So you once guided that, your margins will, you know, you have a mission to achieve a EBITDA margin of 22%. So I just wanted to know that, that EBITDA margin you're saying, includes other income or excludes other income. And if so, like, okay, then how, are we done with the cost optimization part, or we can look, you know, for the next full year, like, a better cause of cost optimization strategy.

Avinash

It is a constant effort, you know, we've been able to control the cost across all these quarters, and we have a better handle. Having said that we are investing in sales, in all the geographies, so that will add up to the burden of the cost. But, we are hopeful that the increase in revenue will, you know, recover all of those costs in time to come. So we are constantly improving our optimization efforts, and we want to increase our utilization levels beyond 80%. Actually the target is 85%. So, uh, we are working to constantly towards that. So there are pockets that we are, you know, improving upon, and, you know, it's a constant exercise.

Vikul Arora

And, you know, just wanted to share a concern, like, uh, you have posted a decent number, to be frank for this quarter, but the thing is, that there is a concern about capital allocation part, because you have almost 150 crores of, you know, kind of free cash in your balance sheet, and we have not made any acquisitions. So that is putting heavy price on the stock price because capital allocation is really important, which, you know, the ROE and all is getting very hampered. So I just hope that, you know, you work on that.

Avinash Sethi

Yeah, we are painfully aware of that.

Sagar

Okay. Thank you. Thank you.

Mridul Maheshwari

Thank you, Sagar. Over to you, Avinash, for the closing remarks.

Avinash Sethi

Thank you, everyone, for your continued interest in InfoBeans. Any questions that is left unanswered, please send an email to [investor.relations@infobeans.com](mailto:investor.relations@infobeans.com), and we'll be happy to answer. And, you know, I invite every one of you to come and visit InfoBeans if you have time. If you are in Indore, you know, we'll be happy to help you and spend time with you in terms of explaining the business to you. I mean, anytime I'm in Mumbai or Pune or any of the cities that you are in, we'll try and reach out to you and see if we can do a quick session with you to explain the business in a better way. Thank you very much, and feel free to reach out to us. We'll be happy to answer any of your unanswered questions.