InfoBeans Technologies Limited

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Management

Avinash Sethi, Co-founder

Siddharth Sethi, Co-founder

Mitesh Bohra, Co-founder

Krunal Sanghvi, Associate Director-Finance

Surbhi Jain, Company Secretary & Compliance Officer

Surbhi

Good morning ladies and gentlemen, welcome everyone and thanks for joining this Q2 FY 27 earnings calls 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. We will be happy to send it over to you. To take us through the results of this quarter, we have with us three co-founders, Mr. Avinash Sethi, Mr. Siddharth Sethi and Mr. Mitesh Bhora. 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 question by raising your hand and 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 the 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. With the said note, I turned over the call to Avinash. Over to Avinash.

Avinash

Thank you Surbhi. Thank you everybody for joining this call. I know it is market hours but you know results were out yesterday and we wanted to you know cover the report today itself. So please go to the slide deck. So InfoBeans as a company always believe in investing in the latest and greatest of the technologies available at the time and we have been investing heavily in the AI capabilities and the biggest news of this quarter in my mind is that we have got a Claude Select Services partner status from Anthropic and we have more than a dozen certified cloud developers and a couple of forward deployed engineers who are certified with us. So that gives us enormous power and strength to go to our customers and deploy Anthropic solutions or AI solutions at their business to improve their capabilities and efficiencies of the business. So if you look at the slide, I am assuming it is visible to all of you, we are present across the four geographies, three are the major markets, US, Middle East and Europe and we have development centres in India, in Indore, Pune, Chennai and Bengaluru.

This is a quick roadmap of the transformation journey over the years, we have been in business for 26 years now, incorporated in 2000, we achieved our first milestone of 4 crores in 2007 and within 8 years in 2015, we kind of reached 10X and then from 15 to 23, we kind of reached again a little less than 10X at 399 crores, we acquired a couple of companies between 2019 and 2021 and before that we went public in 2017 on the SME platform and then moved to the main platform on 2019. We onboarded Phaneesh Murthy as our advisor to the board in 2024, it is more than two years now, Opal Perry joined us as an Independent Director in 2025 and we had our second buyback and a bonus in 2026. This is a quick numbers at a glance. So one of the biggest strengths of InfoBeans is that we have 50 large enterprise clients even at this size. We are a very small company in the entire IT landscape in India, but despite that we have Fortune 500 customers and Fortune 100 customers, which is part of our direct relationships. More than 94% of these clients come back for more work every year, and that's again a very important strength and a moat, if you want to call that.

We've been investing heavily on AI, and our software development exercise is very, very AI enabled for the most part. We have done two successful acquisitions, as I mentioned, 2019 and 2021. One was a cross-border acquisition of Philosophy Group INC, and second was a Salesforce Platinum partner from Pune, called Eternus Solutions. We did two buybacks in 2021 and 2025. 2021 was four times of the IPO price, and 2025 was eight times of the IPO price. Last year's financials, we had a good run, good revenue growth versus, you know, good improvement in the margins both on the PAT and EBITDA side. A significant amount of cash and cash equivalents as a reserve in the company, and we've been growing at 23% CAGR since 2021.

As I said, you know, all of these partnerships and certifications, I think the most important one is Claude Partner Network as of now. This is where our global service offerings are, AI-led engineering across the organization, and Salesforce and ServiceNow are the two technology platforms that we focus on, because both of these are being used by large enterprise customers, and it's kind of a segue into those clients for us once we get an entry inside these organizations using Salesforce and ServiceNow practices. We aim to focus on BFSI as a strong vertical for us because we have a dozen clients in the BFSI space and same with storage and virtualization as another vertical space that we have. A quick snapshot on the team, the three founders here, Avinash, Mitesh & Siddharth and we have our independent directors Opal, Mayuri and Sumer Sir. Sumer Sir has retired by a tenure in the month of October so he's already retired now.

Very very strong engineering team and you know long timers at InfoBeans, Amit Makhija is almost two decades with InfoBeans and Denise is almost five years now. Kanan, again more than two decades, Kanupriya and Arpit. Very key people in terms of sales and client success, these are the people who hold the fort for us in front of the client, Ram, Geetanjali, Manish and Tarulata in different geographies. Quick snapshot of our clients, most of the clients prefer not to name them and therefore we have to put it under NDA. If you look at the NDA lot here, a Fortune 200 company, a Fortune 500 company, another Fortune 500, another Fortune 500 German company. So multiple such clients that we've been working with and most important factor here is their average age or average age of the relationship with these clients for InfoBeans is more than nine years now and you know ALM is a client which is with us for more than 22-23 years now, IQVIA is for more than 18 years now.

So, very, very long relationships is another moat for InfoBeans as a company. Quick financial snapshot here, we have grown 28% YOY on the total revenue from 129 to 165. On EBITDA side, we have grown 14% and on PAT side, we have grown 16%. On the USD terms, we have grown 22% Y-o-Y, remaining was INR appreciation. The dollar appreciation against INR. On the quarterly basis also, I am happy to announce that we have grown at 6% Q-o-Q, which is quite a good growth in the current market situation. And EBITDA also has grown 14% and PAT has 21% Q-o-Q as well. Since we are closing our half yearly results here, there is a good comparison, quick comparison on H1 to H1 of last year. Note that the last year, H1 had about 6.3 crores of ERC, Employee retention credit from the US government, which is an extraordinary income, which we have for the comparison here, we have removed from the numbers. And if you look at it, H1 to H1, we have grown 30% and EBITDA 18% and PAT 22%. In USD terms, the growth was 22, similar to the quarterly number. Similar numbers in different presentation, PAT margins at 16%, we are happy with it. And the 1% drop was probably because of the, I mean, as I said, we typically, I keep telling every quarter that we typically aim for 24% EBITDA margin and 15% PAT margins, 14 to 15% PAT margins. So we are very, very

happy at these numbers. Reduction does not, you know, tell us anything here because that is where the targets are.

And one important factor is seven quarters of sequential operating revenue growth of 6 percent, over 6 percent quarter on quarter for last seven quarters. So that tells us that we are in a momentum which is sustained and we are growing constantly quarter on quarter for last seven quarters in a row. Little bit more detail here revenue from operations, other income, if you look at it the other income dropped by 2 crores, but the revenue from operations have grown by 10 crores and other income dropped by 1 crore quarter on quarter by 2 crores on a year on year basis. And the other income component was mostly because of the RBI increasing the rates, our treasury is mostly held in corporate bonds and government securities. So the yield disturbs the IRR, but since we will hold it till maturity, it is just a notional loss for us. Total revenue grew from 130 to 166 on a Y-o-Y basis and EBITDA grew from 36 to 41 crores. EBITDA margin comes back to the steady state number, last quarter it was 23, this quarter it is 24 percent, so we have good growth here. PAT margins have improved from 14 percent to 16 percent Q-Q from 22 to 26 crores. We continue to investment AI capabilities and we continue to build our sales capabilities across all the three geographies, so there is going to be investment which might put a pressure on the margins in future as well, but that is totally okay because we are building and investing, we are investing in building the business.

A quick balance sheet snapshot here, most of the money, the profits got added up into the reserves. So some movements because of dividend, because of amortization and so on, typical business scenario. Revenue break up, USA, we are kind of balancing it fairly well, USA is now at 49%, Europe is at 40% which is a good counterbalance to the challenging macro environment posed by the Trump government, UAE at 8% which is kind of a steady state, rest of the world including India is about 3%. So good momentum in the European market for us. AI update, I mentioned earlier, we got this cloud select services partner just last two weeks ago and we are also ISO 42001 certified for AI practices and a lot of these engineering products are used as an accelerator for our clients, as a showcase and door opening strategy for us. We use these tools to showcase our capabilities to the client.

Awards for the 10th time, we have nominated as a Best Employer Award, Best Employer Brand by Asia, in Asia and Ecovadis is a very reputed sustainability rating which is important for us in today's context because every new RFP is asking for our ESG ratings and Ecovadis is a very reputed rating institution and we got a bronze medal which means that we are ranked in top 35 globally, 35% globally across our ESG practices.

We also take our CSR activity very seriously and that is where we have instituted this InfoBeans Foundation under which we run an ITEP, Information Technology Excellence

Program, where we train underprivileged youth to become software engineer within a period of one year and after that they are successfully placed in IT companies across Indore and Pune. This is the, so we have two objectives, education for employment and you know sustaining the green cover of the Mother Earth. So we plant trees every year in the monsoon season. At the same time, we have trees planted for birthdays of our team members. So that's a scheme that we have and therefore we have, every quarter we would have significant number of trees planted across the country, mostly around Indore and Pune region. Quick market data as of 30th September, you know the market price was 143 and the market came out 1391.

I will open it to Surbhi for a question and answer. Surbhi and Kunal, please continue and you know let's open the forum for question and answers.

Krunal

So, thank you everyone. We will now begin the Q&A session. Participants are requested to use the raise hand feature. We will allow you to talk. You can unmute yourself and ask your question. We further request you to limit yourself to one question at a time. You may rejoin the queue for the follow-up questions. We would be happy to take them if the time permits. Thank you. So, first question is coming from the line of Mr. Mihir Dhami, Mihir please unmute yourself and ask your question. Mihir, please unmute yourself and ask your question.

Mihir Dhami

Thank you for the opportunity. Congratulations on great results. I wanted to ask how are you able to devote such great growth, which industries are doing well for you currently?

Avinash

So we work across multiple industries, I have mentioned BFSI, manufacturing, logistics, HR we have seen growth across all the segments, so it is hard to put a finger to a particular industry, we are growing well across all our clients, so not much of a challenge, I think except for healthcare compliance, we are not seeing any worry signs.

Mihir

Okay, also how much was the net hiring for the quarter and what are your plans for hiring for the year?

Avinash

So we continue to add you know skills across the board, since we are seeing good demand and a 30% growth rate, our hiring net addition would be in the range of I would say 10 to 15%, so the revenue growth is not really mapping up exactly to the headcount it used to be, so definitely it is kind of an indicator that we are using AI to improve our efficiency and optimize our delivery efforts, the net number if I were to tell you is about 43 net addition that we added in this quarter, on a base of 1800 plus, this is like about what you say 10, much like 2, 3, how much it is, actually 3, 4%.

Mihir

And also can you give us an idea of that deal when you have had a recently for the quarter or last one year?

Avinash

There is, I mean we do not disclose these individual client deals or the size of the deals that is not a practice that we have been following and as I said we typically I think there is a press release also where we mentioned that there are three clients that we have won, two from the US market, one from the Indian market and typically for a services company like ours the deal size at the start is very small, it is a first step towards building the trust and relationship between the two parties and you know it is eventually and gradually that we generate significant business as a repeat business from these customers, so you know deal wins is irrelevant in our context.

Mihir I will request you to come in back in the line please.

Krunal

Yes thank you Mihir, next question is coming from the line of Mr. Hitesh, Hitesh please unmute yourself and ask your question,

Hitesh

Hi am I audible, yes Hitesh, so I have two questions actually I want you to understand like what changes this AI is bringing, we know there are lot of changes and it is happening on the daily basis, how you are changing yourselves, what capabilities are you building around AI and to grow with the AI and how industry landscape is changing with this,

Avinash

Mitesh would you like to take this

Mitesh

Yes Hitesh are you able to hear me okay,

Hitesh

Yes I can hear you

Mitesh

Okay thank you so much for your question Hitesh. AI landscape continues to change and almost feels unrecognizable from 2025, if you look at 2026. And for us, our goal has always been to look at where our clients need the real help. Now, the usuals, which is utilization of the frontier models to do bulk of the actual engineering work. Keeping design, keeping architecture intact, being quality assurance and the process intact, but large part of the software development, we can continue to build using such models. So that's one factor that doesn't change much. So we continue to develop capabilities in and around how to best utilize that. So that's one. The second big evolution that we have seen this year is utilization of agents in actual enterprise environments or what you call the agentic enterprise going forward. And deployment of agents in scenarios where simple supports such as, for example, an L0 or an L1 could be removed. Again, this is just an example or a contact center situation. Or software that is scheduled, there is automation that can be used. So enterprises have been now increasingly starting to see the value that comes from agents that get deployed in their environment. Of course, there are a lot of issues and challenges that have emerged. Also, the likes of governance. You know, their concerns around data privacy, their obvious concerns around cost, you might be hearing a lot of that. We are constantly building capabilities and expertise in and around all of that. Today I was talking to somebody in San Francisco. There is so much conversation that is happening around multi-agent systems, which is a very natural progression in a lot of organizations. And there's a lot

of talk about how context, how coordination can be utilized as efficiency levers going forward to ensure both accuracy and cost are maintained, because these are very important considerations for enterprises. So this is something that we keep focusing very heavily on. At the end of the day, it is about solving problems for our customers and utilizing technology in the best possible manner. That's how we go about it. I hope that answers your question.

Hitesh

Yeah, that's pretty much what I was looking for. One more question I have, like, how we see going forward changes in pricing? Are we feeling any pricing pressure from the customer end or industry-wise? I mean, we are moving to outcome-based pricing. And does it impact the – I'm sure it does not impact the amount of work, but does it impact our top line in some way? Does it hamper?

Avinash

Siddharth, do you want to take this?

Siddharth

Yeah, okay. So, no, it does not hamper our top line in any way, because we keep on getting more work. As Avinash pointed out earlier, our net addition is much lower than the growth in revenue. So that is some kind of an indication of the lack of pricing pressure, so to speak. And even then, our profit increases. So there is no such pricing pressure that we see right now. I think what is more important to the customer is how much value are we adding using AI, without AI, whichever way we go, the customer is trusting us, banking on us to provide solutions to solve their business problems. We are also using AI internally to increase our efficiencies. So for example, our internal evaluation process which used to take a few weeks, two or three weeks is now completed in a matter of days because we have built internal systems that help us do our performance appraisals, you know, very quickly, very fast. It was a very tedious and cumbersome process. Similarly on our sales side and marketing side, we are able to use AI very effectively without rapidly increasing the sales or marketing team for our outreach, for our email campaigns, our marketing campaigns, our social media campaigns. So all of those things help us in increasing efficiency, reducing overall cost and even then keeping our margins intact and increasing revenues. I think the numbers speak for themselves in terms of, you know, pricing, lack of pricing pressure.

Krunal

So thank you Mr. Hitesh, you can rejoin the queue if you have follow up questions.

Hitesh

Yeah, just all the best to the management

Avinash

Thank you Hitesh, yeah, thanks.

Krunal

Next question is coming from the line of Mr. VP Rajesh, Rajesh please unmute yourself and proceed with your question. Mr. Rajesh, you need to unmute yourself and proceed with your question.

Avinash

Hey VP, how are you?

Krunal

Rajesh you are already unmuted, you can proceed, we can hear you.

So, let us take the next question. Next question is from Sumukh. Sumukh, please unmute yourself and ask your question.

Sumukh

Hi, team. Am I audible?

Avinash

Yes, Sumukh

Sumukh

Yes. Congratulations on a very good quarter. So, I have two questions. One is on the 9 crores, which has been capitalized in Hedge Funds, which was intangible, it was at work. So regarding that and also the 8 crores loan that was given to the director, right? So, can you please give us more understanding on both of the line item?

Avinash

So, what was the first question, if you can repeat?

Sumukh

So, one is the capitalization of intangible of 9 crores.

Avinash

Yes. Okay. Yeah. So, we have been developing certain accelerators in the system and there is always this lag in revenue generated by those, actually, it is not an accelerator, these are products. So, there is a product called a stanza, there is a product called as beantrail and we have been investing in these products. So, the capitalization is towards the effort that is going to go and the revenue is going to come later. So, we capitalized it and revenue started coming in. So, we have started to start amortizing it. That is one.

The second part is the director loan. So, we have a policy in the US where the employees can get a loan of up to 1 million dollar and since Mitesh is also a director and an employee of InfoBeans INC, so, he availed that facility and it was a, I would say, 3-4 month period between which it was repaid as well. So there was an interest bearing loan that was given to him and under all the norms that we have followed that is a practice.

Sumukh

Thank you and one more question is this 22% constant currency growth. So how much of it could be attributable to growth from existing client and how much from new client means that has happened over the last quarter?

Avinash

So you are talking about a quarter on quarter growth, right?

Sumukh

So, 22% year on year, yes.

Avinash

So the Y-o-Y growth I would say typically every year we have more than 90% business coming from the existing clients. The remaining business comes from the new clients. Now in a services environment what we sell is trust and trust takes its own time to get built over the years. So typically the first quarter would have a lesser share of revenue from a new client versus the let us say 6th or 7th or 8th quarter. So that client journey grows eventually from first quarter to 4th, 5th quarter to 8th quarter to 9th quarter and we have a history of clients that stay with us for multiple decades and that is where the value comes for us where we continue to keep generating margins and better business from each of these clients over year over year. So it is a nature of the services business that takes its own ramp up time for a new client. And having said that we continue to make our sales efforts in a way that we strike multi-million dollar deals on day one. And it takes its own time, you know, anywhere between 6 to 12 months to get to a closure for such clients and such deals. Let me also tell you that we focus on large enterprises which has its own, you know, nuances to navigate to reach to a level where we can get to the dotted line.

So it takes its own time and process to get there. But despite that, not everybody is willing to, you know, sign a multimillion dollar deal on day one. So they take their, you know, they start with small work and then build successively from there.

Krunal

Thank you, Sumukh. You can rejoin the queue for the follow-up question. Mr. Rajesh, please try and unmute yourself and ask your question. So Rajesh, if you are facing any difficulty with your mic, you can put your question in the Q&A box. By the time we will take the next question.

Next question is from Mr. Dhavnit, Dhavnit, please unmute yourself and ask your question.

Dhavnit

Hello, sir, am I audible?

Avinash

Yes, Dhavnit

Dhavnit

Yes, I think so. I have already put it in the chat box also. I had a question with regards to our revenue and EBITDA kind of group we are targeting for the full year. And what kind of growth can we see going forward? I understand that you talk a lot about relationship, but it is more in the back right now going ahead with the changing times. Does still it affects how much growth we are going to get in a changing time?

Avinash

See we don't give the forecasting and the you know I would say forward looking numbers but what we are seeing in the market today is there is a sustained growth momentum for us. We continue to have a good healthy order pipeline and healthy demand. So hiring continues, our you know AI training continues, our relationship, our projects continues. So we are finding good as I said sustained momentum at this point.

Dhavnit

And I had a next question in regards to the situation in the US. It is becoming a little bit challenging for companies to do business over there due to certain visa norms and all. So what kind of a different spread are we looking at? Are we trying to expand into other geographies? And going forward the 49% which we have currently, can that be further reduced through diversification?

Avinash

See as a company our focus will be to increase our US revenue share. US is a very big market and we have been in business with the US for 26 years now. So we would certainly want to expand more in the US because we have a very large representable client list also. So that is point number one. The other point is you know we are still a micro company and the macro environment that we hear in newspapers and media do not really affect us on either side. On the bad side or the good side. What works for us is the relationship that we carry with our clients and the kind of demand that they see

in their own businesses. So I don't think these macro factors are negatively affecting us. The third point that we talked about was the visa.

So we are not, I mean, from day one we have not been dependent on H1B visas, we have always been offshore heavy and bulk of our revenue is through our delivery centres, delivered through our delivery centres across India. So even if you look at today, out of this, you know, almost 1,900 people team, you would have less than 50 people across all the three geographies, which is very insignificant in the entire equation. And therefore, you know, there was this H1B restriction four, five years ago. And here, you know, it is made extremely tough by the Trump government, but it doesn't really affect us because we are not a visa dependent business.

Dhavnit

Okay, thank you sir, I will get back in the queue.

Krunal

Thank you. Thank you, Dhavnit. Thank you. So Rajesh, unfortunately, your mic is not working, but I will convey your message to founders and I'll ask your question. So Avinash, Rajesh is saying congratulations to us for the numbers for this quarter. And he has a question that cash has gone up significantly. And second question is any update on the M&A front?

Avinash

Yes, we are cognizant of the fact, it's a good and a bad news that cash is getting accumulated in the business. So that's a good news. Yes, we are, we are in the process of constantly scouting for the right target. And thankfully, I think last quarter, there were a good number of, I would say leads for the targets which are suitable to our, you know, so let me also tell the audience here that we have a very strict acquisition criteria. And you know, it was only in, I would say in the last few months that I was seeing some good fitments as a part of the lead generation effort on the M&A side. So yeah, I think we continue to make that effort. It's a sales kind of situation,if it's a hit or miss you don't know. You can't even predict until that is signed. So yes, the efforts are on. For the benefit of the audience, I'll quickly narrate what we are looking at. We are actively looking at ServiceNow companies or AI and data companies in a 5 to 15 million dollar revenue range with overseas customers and delivery in India. So this is the kind of filter that we have applied and any deal that comes to us through any banker has to meet this filter before it even gets there.

So the filters are high, but as I said, there are leads coming in. Now are we in a serious discussion or at a closure stage, difficult to say unless it is done. Once it is done, we will announce it to the board on the NSE and BSE both. So yeah, I think once the term sheet is signed or there is a progress which is a tangible progress, we will announce it. But until then, it is very difficult to predict anything. But yes, we are aware of the cash position and certainly want to make good use of the cash towards building the business. Let me also add here for the benefit of the investors here that as a company, we are firm believers of using the capital to reinvest and grow the business. We have been doing it every year for the last 26 years. We are not a company that you should look at for dividend yields. We pay dividends, we do buybacks as and when needed, but it is not an active strategy for us to give the cash back to the Investor, we would rather use it to build the business and navigate the challenging times that is posed ahead of us by investing in AI and you know being more aggressive on the sales side. So we want to generate better value out of the business rather than return the cash.

Krunal

Thank you. So we have some question in chat box. So most of them are asking that why the trade receivables has increased.

Avinash

Some pressure of the you know client ends where and then some of the clients actually change their terms also. So from 60 days to 90 days and some of the clients have been delaying their payments but these are long standing clients so we know that it is not a risk. Despite that we make provisions in our books. So we are well covered in that sense but yes we are confident that all of these delayed receivables will be received fairly quickly. We are at it, we are chasing it constantly.

Mitesh

Also I believe some of the increase in receivable would also be a function of growth.

Avinash

That is correct. That's also contributing to it.

Krunal

So Dhvanit do you have a follow-up question? If you have you can unmute yourself and ask your follow-up question. Mr. Dhvanit you can unmute yourself if you have a follow-up question.

Dhavnit

I don't have any follow-up question. It was an older question which I had posted in the chat box. That was the same question. Thank you.

Avinash

Thankyou Dhavnit

Thank you everybody for your time and interest in InfoBeans, we appreciate your support and we look forward to you know more such good quarters, thank you so much.

Siddharth

Thank you

Surbhi

Thank you everyone and now you may disconnect your lines.

Mitesh

Thank you