

Wednesday, November 15, 2023

To,
The Manager - Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051,
Maharashtra, India

SCRIP SYMBOL: INFOLLION, ISIN: INE0NNZ01013

Sub: Transcript of the Post Earnings Call - H1 FY 2023-24 conducted on November 08, 2023

Respected Sir/Madam,

In continuation to our intimation dated November 08, 2023, regarding the audio/video recordings of Post Earnings Call at our website, please find enclosed herewith the Transcript of the Post Earnings Call scheduled on Wednesday, November 08, 2023, at 4.00 P.M. IST.

The transcripts of the call will also be available at the website of the Company at <https://investors.infollion.com/schedule-of-analysts-or-investors-meet>.

We request you to kindly take the above information on record.

Thanking you,

For Infollion Research Services Limited

Madhumita Pramanik
Company Secretary and Compliance Officer
M. No. 35693

INFOLLION RESEARCH SERVICES LIMITED

H1 FY 2023-24

TRANSCRIPT OF POST EARNINGS CALL

NOVEMBER 08, 2023

Madhumita Pramanik ('MP'): Good evening, everyone, I welcome you all to the half yearly first half year financials of Financial Year 2023-24 Earnings Call. My Name is Madhumita, Company Secretary & Compliance Officer of the Company. We are delighted to host the first earnings call of H1 of FY 2023-24 of Infollion today. In this call, management of Infollion has been represented by:

- **Mr. Gaurav, Founder and Managing Director of the Company;**
- **Mr. Abhishek Jha, Chief Financial Officer,**
- **Mr. Varun Khandelwal, VP-Research,**
- **Mr. Abhay Sangal, VP-Operations**

Before we begin, I would like to inform all the participants that except the management team, all other participants will be on mute in this call. And all the participants can raise their queries on the chat and I will read out the queries after the opening remark session in the Q&A session to address the same to the management team and they will address the queries one by one.

For records, this conference call will be recorded and I would also like to inform the participants here that any statement or discussion made in this call which will reflect or which reflects the outlook of the future or which could be construed as a forward-looking statement may involve risk and uncertainties and does not guarantee any future performance. The actual results may differ from those statements.

Now I will request Mr. Gaurav Munjal to give the opening remarks.

Gaurav Munjal ('GM'): Thank you Madhumita, for the opening statement and organising this earnings call. A very warm welcome to all our investors, potential investors, everyone who has joined this call. Thank you so much for placing your trust at Infollion. We are literally over the moon for that and we had a we have listed on June, it is been a few months, it is been a while that we have existed as a public company under the public eye. For the first half of this financial year turned out to be almost as we expected although on the better side. It's actually slightly better than what we had expected it is slightly higher than our long-term growth rates. We hope we would be able to continue this but as you can see on your screens which our CFO would elaborate further. We had a pretty good quarter, pretty good month, most of the numbers were at all-time highs and we are very happy to see this growth. On the operational bit, we have managed to better ourselves from our previous years, we recruited quite a few team members, we expanded our team, we expanded, we expanded in certain geographies in US, we have been making some we have got some more experts in US as we have promised during the fund raise at the time of when we have mentioned them in the objects of the offer we have also, we have also started exploring newer opportunities in terms of newer freelancer segments hopefully in the next earnings call or in the upcoming few quarters we should be able to give more concrete numbers of that. For now, we have started that besides that the numbers are pretty much on the screen, I would let Abhishek do the talking on the details.

Madhumita, you can hand it over to Abhishek now.

MP: Over to you Abhishek.

Abhishek Jha: Ya ya thank you Madhumita. So, very good evening to all the stakeholders present in the meeting. Thank you so much for coming and so the financial summary is already on the screen as you can see that we had witnessed a pretty decent growth in the first half of this financial year. So, the revenue grown by 68%. If we compare it with the date financial figures filed in DRHP last year for the first half of 2022-23, the EBITDA has grown by 89% which is 5.69 Cr., 94% growth in PAT which is at 4.23 Cr., so this is the summarised report and the precise report is already filed with the NSE and you can anyway see it on the on our investors website also. And if there are any questions relating to the financials or anything I am happy to answer.

MP: Abhishek, we have just received one question from Mr. Piyush. I would like to read out the question. The question no. 1 is the Company has been, has seen growth very fast for last few years and continued in H1, please share the key reasons for the same and guidance for the financial year 2024 & 2025. The next question is there is a big jump in receivables, why? Guidance on receivable days. And the third question is what is the USP and opportunity size for the Company.

GM: So, I will, I will pick up these three questions. So, I am not sure we would be giving guidance for the next few years, the good thing is that we have seen the market expand over the last few years, we have been fairly consistent. Over the last five years, we have aggregated around 40% CAGR and although this is on the slightly higher side what we have got this year but we expect these are the numbers which we think can be sustained given the size of the economy given the growth in the size of the economy and we are also hoping to get some numbers from outside India. The second question I think it related was the second question was Madhumita can you..

MP: The second question was there is a big jump in the receivables, why? Guidance on receivables.

GM: Receivables, so receivables are directly link to our monthly numbers, so in terms of number of days its broadly similar since the growth has been slightly higher. This year, the difference between the receivables at the end of this year and last year is little more pronounced but that's also because that's also because the total amount of revenue done in the last few months is much higher than the earlier few months this year. And what was the third question Madhumita?

MP: And the third question was what is the USP and opportunity size for the Company?

GM: So, that relates to pretty much the same discussion we had during the roadshows but I would like to repeat. So, we believe that most of the contingent staffing specially at the premium end would eventually move towards a no inventory model. While we are still in the early days of gig economy, we believe the short-term consultations or the market where micro consulting can be possible in the broad gig economy segment is the easiest to grab and that's what we have done. Over the next few years, we think that even different kinds of premium freelancers besides the fairly established categories like data, tech, etc., would also be included in the gig economy and we think, we are in a great position to capture that. So, the business, specially the kind of business in which we are in, it is a winner take all or a market place or a typical marketplace business, the more supply we have, the better we can service the demand and the more we have demand we have, the more supply we attract. So, it is a self-reinforcing virtuous cycle in pretty much every major geography in the world, we have witnessed that in such kind of marketplaces eventually the supply and demand collates into one particular platform. In India, we have

taken the lead, we are the oldest as well as one of the largest, in fact, amongst the homegrown ones we are definitely the largest and we think the premium gig economy segment whether it is short term consulting or relatively different kind of consulting or even full-fledged projects is something which we should be able to tap into at some point of time and they would collate into large platform like us. I hope that answers your question Mr. Piyush.

MP: Okay, so can we move to the next question?

GM: Yes, please, is it a financial one or an operation one?

MP: The next question is from Mr. Piyush Kanodia. The question is what is the split of revenue across consulting, private equity, general management corporates?

GM: I am not sure completely, on top of precise numbers but I think the majority of our revenues comes from consulting businesses for now. In the early days, the Private Equity segment was not very big for us but that something which we are targeting a lot from now on.

MP: Alright, the next question is from Mr. Kiran Manjunath. There are three, two questions, the first one is why do we have not provided quarterly numbers, any specific reason for just publishing half yearly numbers?

GM: So, I think that's a regulatory thing. We are still a fairly small company we are listed on NSE Emerge. To be honest, we have already we are on from regulatory perspective, we are supposed to file H1 numbers we have done that. We would be filling H1 numbers or H2 numbers at a appropriate date down the line. I mean, this is just a regulatory thing, I mean we are supposed file half yearly so we are filling half yearly.

MP: The next question is what is the risk in your business of your clients directly establishing connect with the specialist bypassing you post the first engagement?

GM: So, we have already answered but I will take this again. This is, so, we focus on engagements which are small, frequents and cross domains. In longer term projects, this risk is much higher but in shorter term projects, the value which is derived by establishing a direct relationship with an Expert is usually not worth it. So, it's not too dissimilar like a marketplace in a completely different segment like let's say a food delivery marketplace or a Amazon of sorts right. So, Amazon is retail marketplace, Zomato is a food marketplace or even Uber is a expert marketplace right, so, whenever, you want something new, every time you are traveling from different place to a different place every time, it's usually not worth establishing a direct relationship and we deliver enough value to our clients for that. For longer term projects, yes this is a problem and that's one of the reasons we do not try to go deeper into the very long projects which are more than few months, right. We prefer doing a releasing fee and just let it go. Having said that, we are evolving models where we think we can control this and deliver the service or the expertise in such a way that the value of the platform remains intact. The, we actually build this up right, we know there is a miniscule amount of disintermediation which is what you mentioned that the expert and client going directly happens, it is not something unheard of it is but at the price points, at the kind of experts and the kind of clients we currently operate with, this usually is extremely rare and we have just built it up in a margin profile and just go ahead with it.

MP: Alright, the next question is from Mr. Bhavesh Gupta. Given 80% of the revenue in the past year comes from top five customers, mostly consulting companies as per my understanding. Are we trying to de-risk this? What is the spread of revenue across the consulting, private equity, buy side corporate side for the last six months?

GM: So, as of now, there is not much which has changed. Are we trying to de-risk this? Yes, we are moving towards we have actually set up a completely separate financial team, we are also expanding into US, we are also going into tier II consulting, so we are trying to spread out but yes, there is concentration risk as of now. There hasn't been much change from June, to be honest.

MP: Another question is from Mr. Bhavesh Gupta only. What different are we doing from our competitors like Insights Alpha, Thirdbridge, GLG etc. Are we trying to build a competitive advantage to gain market share in the Indian market?

GM: So, we believe the good old USP for us is Ops, right. So, we are extremely focussed on delivering precise and concise, precise experts as fast as possible. We have been making a lot of internal value chains, one key difference between us and most of our competitors is that we go very deep into the research segments, we try to repeat as much as possible in terms of sub domains which gives us far more insights with which makes our team, which makes our team far more insightful into a particular sub domain. The key USP to us is good old Ops, precise precision of experts and that is about it.

MP: Alright, the next question is from Mr. Aditya Mutha. What were key metrics in last half year?

GM: Okay, so I am not sure you mean financial metrics or operational metrics here but the financial metrics are clearly mentioned in the report which we have filed. As far as operational, the most of the financial metrics are concerned broadly in the same range plus minus five seven ten percent at max from all the other ratios which we had over the last three four five years.

Participant [Aditya Mutha]: yes sir, sir my main question was on the operating metrics, so, the average selling price per hour average cost price per hour, these were mentioned in the RHP also, so I just wanted to know if we have gained some operating leverage in the business or we are working on the same profitability metrics as we were working earlier.

GM: To be honest, to be honest, we are not very keen on increasing our gross margins. We believe that higher the gross margin, the more the opportunity for our competitors to step in. We operate at a gross margin where we are happy. We would like to keep it low and we would like to increase our net margins as far as possible by empowering our team and making sure that the team can deliver more with the help of the tools or and we do develop those tools as fast I mean our value chain tools, our operating tools are far better than our competition and that's what we focus on. Gross margin broadly same. Overall, all the margins' percentages, the financial ratios would be in the same range as they have been for the last four five years.

Participant [Aditya Mutha]: Okay Sir got it and what about how many numbers of experts we added in the last half year?

GM: I am not sure of the precise number there but you can safely assume pro bot 1000 – 1500 is the least figure.

Participant [Aditya Mutha]: Okay great and when can we expect revenue from US market?

GM: Still early days, I am not sure we would be able to do that we are still setting it up, we would keep you posted as soon as we can but as of now, I think it will be a little difficult to predict that how soon can we, you know, generate revenue from US market.

Participant [Aditya Mutha]: Okay and one question on the compliance side, can we expect an investor presentation in couple of days.

GM: Compliance side in the sense, we have already filed the mid-year numbers.

Participant [Aditya Mutha]: Yes, you have filed the numbers but an investor presentation would also be very helpful in your case because the business very new to investment community.

GM: Okay, its already there on our website, I mean, the one which we filed few months ago, only the operational metrics in the financial stuff has changed a little besides that it's pretty much the same. We have already uploaded the presentation on investors dot Infollion, you can check it out. We have also uploaded a lot of in fact most of the question that we are discussing here are already uploaded and live on our website.

Participant [Aditya Mutha]: Acha, okay great, I will, I will get back in the queue, thank you thank you sir and all the best for future.

GM: Thank you

MP: Thank you, so we will move on to the next question. The next question is from Tejas. The Operating margin have increased from 20% to 22.5%. What further step company is taking to improve the margins. Also, what margin should we expect as investors in company for H2?

GM: I think I have already I just answered this question. Broadly, most of the financial ratios are still the same, there hasn't been much change in the last three to four months and we have already made by position clear on the gross margin. We are not keen on increasing the gross margins too much, we would rather focus on volumes than try to increase the gross margins and hence take a hit on our overall numbers.

MP: The next question is from Mr. Kiran. When the outcome of the engagement is not satisfactory, what is the mode of resolution. Does it generally end up with the mediator or legal mechanism of resolution. what framework do we work in case of unsatisfactory engagement?

GM: Okay, so in fact, that is, precisely the USP of this Company that we can deliver precise experts and take responsibility of that. So, we focus a lot on research, we focus a lot on precision of experts before we even share the experts with our clients. We spend a lot of time in knowing what are expert knows, who knows what to the maximum granularity possible. Sometimes even at a question level, we try to make sure the expert which is delivered to the client has we have a fairly high confidence on the expert that they can deliver that. Having said that, there is always a possibility of a mismatch between the customer expectations and the expert, in those cases which is extremely rare probably 0.01 percent or

even you know one or two or three calls a month, we try to either mediate or if the gap is too much, we make sure that we provide a alternate expert at no cost. To be honest, in the overall scheme of things, it's a negligible thing.

MP: The next question is from Mr. Shubham Jhawar. The questions are how the industry value chain doing now?

GM: I am assuming you are saying about maps, the value chain maps.

Participant [Shubham Jhawar]: Ya

GM: I think we already have our Research Head VK on this team. VK, would like to update where we stand on our maps thing?

Varun Khandelwal: Thank you thank you Gaurav. So, yes, a lot of progress on that front, a lot of exciting news on that front. Finalised and launched a full-fledged tool around it where it's a very easy to use browsable landscape wherein we have mapped a lot of experts on the industry value chain maps. A lot of clients are appreciating these maps, they are asking for more maps on different industries. A lot of targeted empanelment of experts has been done to embellished such maps and it's become; you know we are trying to make it a matter of hygiene for our clients now. And ya, so materialistically, I think a lot of good progress has been made on that front, a lot of, you know, engagements were done with minimal possible intervention from our end. We just, you know, spent our time doing our research, creating these maps and now they are converting ready business for us. We don't really even have to spent time on sharing X number of experts and the clients would shortlist. They are just browsing and finding their own and just requesting calls. So, setting up the calls, you know and it's like we are trying to automate the process and we have made a very good hit on that front.

Participant [Shubham Jhawar]: Sir, is this service are now available to all the clients as I believe during IPO this was in the beta phase.

Varun Khandelwal: Yes, it was in beta phase, now it's available to all clients and we encourage our clients to browse through it, go through it, help us with the feedback if they want see more things around it and we are actively working on it.

Participant [Shubham Jhawar]: Okay, Thank you.

MP: The next is has there been any disintermediation cases this quarter?

GM: See, as I said, if there's a case, we would rarely get to know to be honest, by definition, disintermediation means that we do not know what's going on directly between the client and them but from what we understand the numbers we are doing, we think we are happy with that, for shorter term projects as I said there's no value. If you pick up a phone and order directly from a restaurant, trust me Zomato doesn't really doesn't really matter to Zomato as long as they have the same profile. How many times do we actually take up a phone number of a Uber cab driver and try to book again. We deliver value on precision so we focus only on clients who require cross domain, high frequency and sporadic projects and that's what we focus on and that's what we have been delivering.

MP: The next question is what is the current PE to CE Ratio?

GM: In India, it's still the same. So, we think we have fairly saturated number on Indian numbers, in US it is steadily improving.

Participant [Shubham Jhawar]: Sir, could you provide the number?

GM: To be honest, I don't think I have it handy.

Participant [Shubham Jhawar]: Maybe post the call.

GM: Broadly, Abhay might be able to give some sense for India numbers it should be in the same 80-85 PE and 15-20 CE to be honest.

Participant [Shubham Jhawar]: Sure.

Abhay Sangal: Right Gaurav, so for domestic business it's close to 85:15 per cent.

GM: close to?

Abhay Sangal: 85:15 PE:CE.

GM: Ya that's the sense I have, for US it obviously started at 0:100 it might be a little better now.

Participant [Shubham Jhawar]: Thank you.

MP: The next question is what has led to the growth revenue in the past 6 months? Have we gained market share? What is our market share in India?

GM: Okay, this is a very interesting question. It sounds very innocuous but actually its extremely difficult to find the market share number. The revenue recognition for international firms is something which is different from for a lot of for a lot of different companies right. For example, if the India, if the Expert is based out of India and is being paid by a Company in Hongkong, we would never even get to know, it will not even register on Indian numbers so we just don't where it is, where we stand on that. In terms of growth in our revenue, primarily has been India. It is primarily come from India with some numbers outside India but if we count India numbers as clients from India then, it is purely India. If you also include experts outside India then we have seen a slight uptick.

MP: Now the next question is from Mr. Deepak Poddar. The question is how do we ensure that the clients don't contact expert directly after we have arranged first interaction out of our platform?

GM: I have already answered but I will add on to that, contractually both our expert and client are not supposed to do that if they do, they are in the breach of contract. But yes, if it happens for a longer-term project, we anyways cant derive value out of it so, we don't focus that. Our focus is how much value we can derive from those sporadic, high frequency and short-term projects.

MP: The next question is we are not keen on increasing gross margins but we would like to increase our net margins so, what would be our aspirational net margins over next 2 3 years as we scale and leverage advantage comes through?

GM: So, our focus is to empower our team and deliver more experts with the same size of the team, that's what we are trying. We haven't really assigned a number to the net margin that that is our target, what I am trying to when I meant our net margins might increase it's because that, because of value chain maps and automation of delivery of services, the same team can deliver more experts. And because of value chain maps, the discoverability of the experts become higher and if the expert if the client have requested for a particular segment, they would be exposed to other peripheral areas that's what will help in delivering more experts with the same cost space, that's how we would increase the net margin. Gross margin, we would like to keep the same. Do we have a number for that I am sorry we don't a target for that.

MP: What was the numbers of calls we did in H1 for the FY 2023-24?

GM: I think I am not sure the rough numbers can be given by Abhay or Abhishek. Roughly thousand calls a month. I mean that could be the broad range. Precise number? Abhay?

Abhishek Jha: in the first half 5500 almost.

Abhay Sangal: Roughly ya that's correct.

GM: So roughly 5500 calls. So, the ticket size remains pretty much the same as 3 years 4 years 5 years whatever. Slight increase steady 3-4 per cent increase but broadly in the same range.

MP: Now, the next question is from Mr. Ayush. He is congratulating us on the great set of number and the next question is the question is whom shall I consider relevant peer for the companies like you and how are their pricing is different from your pricing?

GM: Thanks a lot, Ayush for the kind words. Peers, see to be honest, we have direct competitors and indirect competitors. Direct competitors in India, there is no listed peer. Globally, there are, there is a Japanese one which is listed, there are 2 or 3 US ones, and one is in, I think, South East or may be Hongkong at least they filed but I am sure if they managed to go through the IPO or not. These are the listed peers. In India, we have already listed down our peers adequately on our website, even in the presentation, in fact, there is complete segment on investors dot Infollion where we have recorded a small video on our competition, even showcasing all our indirect competitors. So, I would highly recommend you to go and have a look at that. So, its fairly clear, there is no change from on that front from the in the last three month.

MP: The next question is from Mr. Kiran. What is our USP in US region? Value play, cost play or number of areas of expertise?

GM: Our approach in US is to focus on two or three segments, go deep into two or three segments and then try to expand horizontally. Obviously, we would be far more we have a inherent cost advantage by being in India but we also have a disadvantage by being in India that we can't directly reach out to those clients as they, it's its not very easy to meet go and meet physically but our approach is not on price,

not on the amount discovered, our approach is just to focus on one or two or three sub segments, go really deep, reach a PE/CE Ratio of at least 80:20 kind of a number in that particular segment and then try to approach other segments.

MP: The next question is from Mr. Bhavesh again. Given there has been some slowdown in consulting for the past 6 months or so, also since most of our revenue comes from consulting, so what has led to the growth in revenue for the past 6 months?

GM: Okay that's a slightly loaded question, I am not aware that consulting is down, in fact, from what I understand consulting is fairly healthy. Having said that, yes, we are completely, consulting as a industry is quite dependent on the overall size of the economy and we as a industry and we as a Company would obviously be dependent on, we are a derivative of the overall growth of the country and specifically the corporate world and specifically the consulting and the private equity segment or in general the public market segments as well.

MP: The next question is from Mr. Kiran again. It says I believe our IP is understanding of the expert's knowledge there and mapping it to the different areas of expertise. How do we plan to protect our IP, I think we will be using our IT system in the backend. How do we manage to protect it from security perspective like hacking, info leak, etc. What kind of roadmap do we have as a IT backend of the company to enrich the IT system. Are we planning any significant investment in our IT system?

GM: Yes, in fact we just had a detailed discussion on it. Our core IP is the value chain maps so all of them are securitised we work on the SOP 2 numbers SOP 2 what we call them SOP 2 standards, we have already outlined our investments, in fact, very very clearly in our DRHP as well as RHP about what kind of investments do we intend to make to further development of the tech part.

MP: The next question is do we plan to give dividend?

GM: Till we are in the growth phase, I don't, to be honest, it's a slightly forward-looking question. I am not sure, am I supposed to answer this question, as it has a material impact. But for now, we are happy with the growth so we are completely focussed on that.

MP: As of now, these are all the questions, I would request all the participants if they have any other question, they can directly drop a message in the chat box.

GM: Great then, oh okay I don't see oh I can two or three questions.

MP: The question is from Mr. Sandeep Uppal. He is congratulating the Infollion team for achieving a good performance. The two questions are: the Receivables have increased in line with the growth. However, 12 Cr of Receivable amounts to 90 day of sales which is quite high. What is the health of the receivable and what % is more than 180 days and if any provision is made for their doubtful recovery or being bad.

GM: Okay, so I think I can read the question right. So, it's actually 90 days only if we average it out otherwise it is pretty much in line with so so the curve has been a slightly steeper and receivable are loaded towards the end of the curve, so, it is actually lesser than 90 days and a provisioning for more than 180 days, I think it should be negligible if at all, I mean Abhishek would be able to answer that

better but I haven't seen that I haven't seen any write off or I am not aware of it, if at all there are, there would not be any material numbers.

GM: The second question was?

MP: Is there merit in showing split of revenue by our different engagement models, customer segments and geographies. Also, what is the concentration ratio, what % of revenue comes from top 20% customers?

GM: At a appropriate time, we would be doing those segmentations but for now, it is fairly concentrated as we have already said, most of the revenues almost 80 percent of the revenue comes from top 10 clients. There is no reason for any major segmentation there, geographies, yes, at a appropriate time we will pick up the geographic segmentation, in terms of inbound dollar payments, I think we already give those we have already given that, Abhishek might be able to answer that number. And different engagement models, it's practically one right now, the second engagement model or the long-term engagement models, any other different kind of freelancers, again we are picking up. So, if the question is, is there merit, for now no but in future yes and we will do it a appropriate time.

If the value maps are acting as one of our USP, isn't there a risk of it being adopted by competitors.

Well of course there is, whatever, it is not rocket science, it just a new visual browsing experience which we have introduced. In fact, we have already seen some of our clients trying to do that but we believe that the vision which we have for that and at the speed that we are developing is should answer should settle most of these concerns. We are aware that some of our clients are trying to do that but but the roadmap which we have, the best answer to our competitors of being copied is just to stay ahead of above, there is no shortcut to it.

MP: The next question is from Mr. Aditya Maheshwari. He says congratulation on the decent set of numbers for the half year. Could you throw light on what is the change in accounting policy as mentioned in Note No. 6 pursuant to which revenue of Rs. 330.92 Lakhs have been regrouping to Reserves instead of routing through Statement of profit & loss and income tax impact of the same.

GM: So, what I understand, when we had filed our Prospectus, the numbers were reconciled or slightly, the accounting standards or the accounting policy was different from our Audited Statements, so to make it easier for, to make it easier for our investors to benchmark it to the restated numbers which we have filed in the prospectus, we change this policy and Abhishek would be able to give you a better answer on that. But, if we benchmark it to the restated numbers which most of the people anyways know, are are the then the policy will have a zero impact. If we included that routing if we included that in the profit and loss statement, it would have been much higher profit and a much higher number of revenues, which is not fair compared to the restated financials and that was that's the reason we have, so just to give you a fair comparison, Abhishek might be able to add on it.

Abhishek Jha: Ya actually there was change in accounting policy while we were restating the financials of the IPO at the time of IPO. So, we decided to adopt that accounting policy in the regular financial statements also, so that comparability becomes fair and easier for the investors so that's why there has been a change in the revenue recognition, we have given in the notes also. So, to adopt the AS9 the revenue recognition concept, we had to make certain changes in the accounting policy that has led to

the few slight changes in financial figures but ya this is fairly comparable with the DRHP & prospectus filed with the NSE.

MP: The next question is in H2 financial year 2023, why was there decline in margins?

GM: Sorry, H2 financial year 2023, decline in margins. Gross margin? Gross margin should have been broadly similar?

Abhishek Jha: Net margin

GM: kitna fark tha?

Abhishek Jha: There was a difference because it is again the audited financial statement, if you will compare with a restated na then it will be, it will become more comparable. See there were certain accounting policies change that I had already told that AS9 was adopted and everything and so that's why audited financials are not that comparable to the numbers that we have just reported in this half year. So, better, if you compare it with restated financials then you will see the figures are not that different from the current.

GM: or I think there was a TDS issue as well right. Kuch one crore ka idhar udhar.

Abhishek Jha: there was that issue but they are asking about the margins.

GM: Okay okay fair enough. So, what I would recommend to all our investors is just pick up the numbers which were there in the prospectus and compare it to what we have right now and they would exactly match up or atleast they would be comparables, only if we do the previous audited numbers to the current post policy change numbers there would be certain spikes but again over a period of 3 to 4 years it will be exactly the same.

MP: The next question is what's the IPO expense included in PL of H1 FY 24?

Abhishek Jha: It's around 1.5 Cr. it's not included in the PL, it was adjusted with the net proceeds from IPO. So, it has not hit the P&L.

GM: is that it?

MP: Alright, so as of now all the questions have been address, I do not have any more questions, so that brings to the end of Q&A session. I have received just one query from Mr. Piyush. So, should I should I read it out? Okay

GM: if it is anything new, we can read it out, otherwise we can.

MP: is there any economies of scale in the business? Can net margins continue to expand for us?

GM: Well, total revenue is always dependent on the size of the expert panel. How much can we service our experts our clients can be improved through automation and better discovery and preventing leakages from our existing experts. Can it grow indefinitely, I am not sure. Can it grow from here, yes, I

think there is, there is a lot of scope for empowering our team, automating the processes and improving the value chains to get better margins.

MP: Alright, so that was the last question. That brings the end of Q&A session. I would thank you everyone, thank you all the participants who have joined this call. Any last words Gaurav.

GM: That's it. Thank you so much for everyone, thank you so much for to all the investors who have joined us. It was, its just the start of a journey for us, this is a first ever earnings call hopefully we will continue with such upbeat numbers and look forward to living up to your expectations. Thank you so much.

MP: Alright, so, thank you everyone, now you may disconnect the call. Alright.

GM: Thank you.
