

5th June, 2024

To, The Listing Department BSE Limited Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai- 400 001	To, The Listing Department The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block Bandra Kurla Complex, Bandra(E), Mumbai – 400 051.
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Ref: **Security Code: 539843; Security ID: NINSYS**

Sub: Transcript of Conference Call held with the Investors and Analysts on the Audited Financial Statements for the quarter and year ended March 31, 2024

Dear Sir / Madam,

Pursuant to regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript for the Conference Call held on the financial performance of the Company for the financial year ended March 31, 2024, conducted on June 3, 2024.

The transcript of the conference call can also be accessed from the Website of the Company at <https://www.nintecsystems.com/investors.php>

This is for you information and records only.

Thanking You,
For, NINtec Systems Limited

Disha Shah
Company Secretary &
Compliance Officer
M. No.: F13084

Encl: Transcript of Earnings Conference Call



“NINtec Systems Limited
Q4 FY '24 Results Conference Call”
June 03, 2024



MANAGEMENT: **MR. NIRAJ GEMAWAT – CHAIRMAN AND MANAGING DIRECTOR – NINTEC SYSTEMS LIMITED**
Ms. DISHA SHAH – COMPANY SECRETARY – NINTEC SYSTEMS LIMITED
MR. MOHIT SONI – CHIEF FINANCIAL OFFICER – NINTEC SYSTEMS LIMITED
Ms. SHIVANGI VAKIL – SENIOR VICE PRESIDENT FINANCE AND OPERATIONS – NINTEC SYSTEMS LIMITED

MODERATOR: **Ms. CHANDNI CHANDE – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to the NINtec Systems Limited FY '24 Results Conference Call hosted by Kirin Advisors. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Chandni Chande from Kirin Advisors. Thank you and over to you, ma'am.

Chandni Chande: Thank you. On the behalf of Kirin Advisors, I welcome you all to the conference call of NINtec Systems Limited. From management team, we have Mr. Niraj Gemawat, Chairman and Managing Director. Now I hand over the call to Mr. Niraj, over to you, sir.

Niraj Gemawat: Thank you, Chandni. Ladies and gentlemen, welcome to NINtec Systems Limited Conference Call to discuss the financial performance of the fourth quarter of financial year 2024. This is a significant milestone for our Company, and I'm honored to have you with us today.

I'm joined on this call by my colleagues, Disha Shah, our Company Secretary, Mohit Soni, our CFO and Shivangi Vakil, our Senior VP of Finance and Operations. Before we delve into the financial specifics, I would love to share a brief review of NINtec Systems with you and our journey so far. We were founded nine years ago.

NINtec's began as a startup with a vision to create a leading technology consulting Company which serves its customers on a global scale. I have personally over 25 years of experience in building a successful global software engineering and consulting business and I decided to embark on this new venture in 2015 and created a startup and built it up from there. Till that point in time, I have built many other businesses, and they were flourishing, and they continue to flourish even today.

And they operate under professional guidance of teams which are led by professional CEOs and leaders across the organization. This enabled me to dedicate my skills and energy to establishing NINtec. The initial years were marked by steady growth.

In the first and second year, we were establishing ourselves and creating stability for the business. Then we were hit by COVID-19 and thanks to the robust processes that we had in place, we navigated through this period with resilience, and we experienced slacks but fairly reduced growth. The last three years have been transformative for us.

I mean, the moment COVID-19 was over, we were able to establish and see tremendous growth for the organization. Leveraging the groundwork laid in the initial years, these recent milestones have not only solidified our position but also have set the stage for our greater achievements in the future. NINtec has been on a remarkable trajectory of growth and evolution since the last 2.5 to 3 years.

And I'm excited to share with you how we have built our foundation to achieve our success story and what our plans are. NINtec is a global technology consulting Company. We specialize in software development, software engineering and delivering cutting-edge technology solutions.

Our commitment goes beyond merely delivering exceptional software development skills to we are also pioneers in shaping the digital landscape for our customers. Our dedication to innovation positions us as a leader in the tech industry, setting new standards and paving the way for transformative solutions across various sectors. Our continuous investment in research and development ensures that we stay ahead of emerging technologies, and we are able to sustain and grow among the current technology landscape on a global scale.

We have sufficient capacity and continue to build our capacity to deliver projects by leveraging our capabilities in artificial intelligence, machine learning, data, blockchain and in addition to various Microsoft, cloud and related technologies. Our expertise in these advanced technologies demonstrates our commitment to innovation and positions us as a key player in shaping the future of tech-enabled business models and businesses and solutions while growing and delivering services to our customers globally.

By integrating cutting-edge technologies like AI-driven analytics, machine learning, algorithms, blockchain for secure and transparent transactions, we have showcased our ability to adapt and lead in ever-evolving technology landscapes.

In February 2023, NINtec Systems achieved a significant milestone by migrating from small and medium exchange of Bombay Stock Exchange to the main boards of both BSE and NSE. This transition underscores our Company's remarkable growth trajectory. Since our listing on the small and medium exchange in 2016, our shareholders have consistently seen impressive returns, demonstrating our commitment to excellence and innovation.

Culminating in our inclusion on the main boards of India's premier stock exchanges, this move has not only elevated our profile but has also created substantial wealth for our investors. Over the last year, our shareholders have seen returns exceeding more than 100%, showcasing our rapid growth and resilience. Furthermore, if you look at the last three years, we have delivered more than 7,000% returns to our shareholders and to our investors, reflecting our sustained success and robust performance.

Now, let's discuss our financial performance for the fourth quarter of 2023 and '24. And the entire fiscal year have also – the numbers are also out. We'll talk about the quarter and the entire year.

During the quarter-on-quarter performance, we have demonstrated consistent growth throughout the year. On a consolidated basis, we grew from INR11.74 crores done in Q4 '23 to INR32.62 crores in Q4 '24. This is almost 177.9% growth on a quarter-on-quarter basis, on a year-on-year basis. For the entire fiscal year, that is '23 to '24, from INR34.41 crores in 2023, we have grown to INR84.69 crores in 2024, thereby making a substantial leap at almost 146% more than the previous year.

This growth has also been supported by a very strong and substantial increase in our consolidated EBITDA. In Q4, our consolidated EBITDA stood at INR7.61 crores, which is a representation of 190.5% increase from the previous year, showcasing the operational efficiency and profitability. Furthermore, the full-year EBITDA stood at INR21.58 crores, demonstrating a remarkable 172% increase on a year-on-year basis. As you can see, revenue growth and EBITDA growth both have substantially been our key focus and last three years, back-to-back, we have delivered the necessary performance. And going into the future, we hope and aim to continue the similar kind of performance and journey.

These robust margins of 23.4% for the quarter and 25.5% for the year underscore the commitment to delivering consistent financial growth and generating strong returns for our stakeholders. We have secured many new projects over the last year, each representing an exciting opportunity for growth and innovation. These new projects have not only contributed to the impressive revenue growth that we have witnessed in '23-'24 but have also strategically positioned us for a promising future.

With a robust pipeline of signed businesses, we are well equipped to continue our trajectory of success in the upcoming year. Almost 95% of our revenue comes from overseas customers and around 4%-5% comes from domestic customers. We have secured a substantial growth in terms of our reach into the global market by establishing a 100% subsidiary in the Netherlands.

This subsidiary, which was built and created with a substantial knowledge and understanding of European markets, has enabled us to bid on large deals in Benelux and Scandinavian markets, in Germany and so on.

With presence in the Netherlands, we also are able to expedite our work permits for our people and our team, thereby increasing and being more close to our customers and being able to achieve much higher billing rates on our engagements with our customers. This strategic shift from an outsourcing Company to a local entity in a local market, delivering local relationships and local culture, has significantly boosted our revenue and growth and enabled us to close larger multi-year deals, which gives substantial support and clarity towards future revenue and future cash flows.

Looking ahead, we have initiated a fair amount of expertise and built a fair amount of expertise, and we are focusing on growing our cybersecurity practice. Cybersecurity will be one of the most promising segments in the coming years for Gateway, in addition to, of course, doing software engineering, development and AI and ML-related work. As the digital landscape evolves, the importance of robust security measures cannot be overstated.

Cyber threats are becoming more sophisticated and frequent, posing substantial risks to businesses globally. By enhancing our cybersecurity offerings, we are committed to safeguarding our clients' data and operations against these threats. Our existing customers, we are able to cross-sell and upsell full cybersecurity consulting to resilience solutions for our existing as well as new customers.

Shortly, we'll be setting up a Securities Operations Center, a SOC, in both India and the Netherlands. This is where a fair amount of investment will also happen. These SOCs will enable us to monitor and respond to security incidents in real time, providing our customers with proactive and comprehensive security solutions.

Our global presence ensures we can serve our customers round the clock, delivering peace of mind and reinforcing our position as a market leader in the cybersecurity space. You'll hear a lot more about this from us in the coming period of time. Thank you for your time and attention. We are excited about the future and look forward to sharing our continued success with you. That brings me to the end of briefing from my end about NINtec Systems' financial performance and the future roadmap. We are open for any questions that may arise from the audience.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Tara Kaur from VY Capital. Please go ahead.

Tara Kaur: Thank you. First of all, congratulations on a good set of numbers. My question is that I'm new to the Company. Can you provide me an overview of NINtec and the business and the overall model?

Niraj Gemawat: Could you repeat your question, please? I think your voice was a little garbled. I couldn't capture it.

Tara Kaur: Just a little brief and a little like I want to know your business model.

Niraj Gemawat: We are into software development and engineering services. We have grown from 250 engineers and team members in 2023 to 400 now and are rapidly expanding in terms of our growth. It's a typical Company which focuses on customers globally in the software engineering and consulting space.

We work for automotive companies, gaming companies, healthcare companies, fintech companies, mid-size, large-size companies in the healthcare space. We do create capitals and create dedicated teams and do provide full AI, ML, cloud security to legacy migration applications. Primarily, anything and everything that's Microsoft and open source is the kind of work that we pick up.

Most of our business is from the Nordics, from Benelux, that is Belgium, Netherlands, Germany, UK and a small portion of what we do comes out of North America. I hope that helps you to grasp what we do. But primarily, it's everything that we do is on a very, very high-end complex tech and engineering work.

Tara Kaur: Okay. And then can you provide insight on your consolidated business added in FY24?

Niraj Gemawat: Consolidated business?

Tara Kaur: Added.

Niraj Gemawat: So, we were at 32.62 in March 2023, and we've ended 2024 with 84.69. So that's 146% growth on a year-on-year basis on the revenue. And I assume you also saw the EBITDA numbers. From INR7.6 crores in 2023, we ended 2024 at INR21.58 crores EBITDA numbers, which is 172% growth in terms of our EBITDA. Does that help you?

Tara Kaur: Yes, sir. Also, I wanted to know that what is the anticipated timeline for achieving significant milestone in the new market?

Niraj Gemawat: See, you have to look at our Company very carefully. We are not a typical Company which got established for creating overnight success. We have very, very carefully and systematically built the organization with a 100-year vision.

I have been in the industry as well for more than 25 years and I created this business after making all kinds of learnings and errors and mistakes and learnings over the last so many years. So, this is like the perfect engineered brainchild of some of us who have been there in the industry for a long time. So, the intent is to consistently grow.

We've delivered, as mentioned, more than 7,000% return for our shareholders. I mean, the Company was established at INR10 face value. And after two bonuses, we are above 500 now, roughly in that area. So, we do aim to consistently deliver performance, consistently deliver growth. And while we do this, the intent is to remain on the cutting edge of technology and to remain on the cutting edge of growth for future. So, for us, there is no full potential.

It's an ever-growing, ever-expanding growth. If you give me five years, 10 years, 20 years, I do believe that we'll be there adapting, innovating and growing by understanding the market trends and being the best at what we do in the engineering space.

Tara Kaur: Okay. So, what will be our revenue split in export and import, export and the domestic?

Niraj Gemawat: Currently, 95% of what we do is exports and 5% is domestic. And domestic is because of during the COVID time, we didn't pick up. But the primary focus of the organization will be to remain an export-focused Company in times to come. So, you can expect that we will grow.

Tara Kaur: Yes. When you said that primary focus is export, may I know the reason is because of the better margins, profit margins?

Niraj Gemawat: Absolutely. Because of better profit margins, better opportunities and because of the expertise of some of us who have operated in the global markets for a very long time. And some of our solutions and expertise does get much better appreciation on a global scale. Within the global context, it's also the cost benefit of what we do.

Tara Kaur: Okay. Noted. Sir, may I know what is the total R&D we are spending from the operating expenses?

Niraj Gemawat: So, R&D for an engineering Company, which is not something that is similar to a traditional R&D Company. For us, if an engineer works for 12 months in a year and assuming that he takes a month's time off, each and every engineer spends between 8% to 10% of his time on

contributing towards R&D growth and learning new technologies and making sure that we are mark-to-market on an ongoing basis. So, it is not a structured activity which happens on R&D as an investment, but this R&D is done to remain mark-to-market on an ongoing basis because the market trends are changing at a very high speed around us.

Tara Kaur: And what about capex?

Niraj Gemawat: Capex we continue to remain. I mean the IT industry in general is not a very high capex intensive industry. I'm sure you know the numbers. There's a lot of brain power and your talent. I mean all the investment and all the expertise lies in our brains. So, the continuous effort is to bring the best of the talent into the organization and to make sure that we bring in the top talent within what we do.

So being on the cutting edge of tech and investing our effort and cost into upgrading training and bringing the best of the people to come and work for us is where the effort is. Capex does not remain a very large portion of where the growth is done but investment does happen in creating subsidiaries, reaching out to new markets, reaching out to creating acquisitions or investments into scale-up startups and so on and so forth which do remain as some of the immediate strategies that we'll be aligning with very soon.

Tara Kaur: Okay. And my last question is that do you have any plans to enhance the shareholders' value in the upcoming years?

Niraj Gemawat: Say again shareholders?

Tara Kaur: Shareholders value.

Niraj Gemawat: I mean that's market fund. So, it's an ongoing process, if I understand your question correctly. The shareholder value it continues to remain at the market finding as it happens.

Tara Kaur: Okay. So, what I wanted to ask you is that are we planning to give any dividend or anything which is going to benefit the shareholders?

Niraj Gemawat: That's a decision really which needs to be taken by the board of the Company. While delivering shareholders value is concerned, you have seen our trend over so many years and we hope to continue to do that for at least next decade or two in front of us as we build a beautiful organization.

Apart from that, depending upon the Company is sufficiently cash rich, sufficiently high on reserves it is extremely well funded and there are plans to growth and as far as my priority would say, I would recommend to my board of directors to remain highly invested into growth and make sure that our shareholders remain as our top priority and we give them maximum growth along with the organization's growth which is what we have done over the years.

Tara Kaur: Thank you so much for answering my questions. All the best to you.

Niraj Gemawat: Thank you very much.

- Moderator:** Thank you. We have the next question from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
- Deepak Poddar:** Thank you very much sir for this opportunity. So first up, I just wanted to understand we are a 100% service-oriented Company or are we looking to develop our own product as well?
- Niraj Gemawat:** At this point of time, we are focused on services, consulting and solutions. So, we have our solutions. We have our reasonable components. We do a fair amount of consulting for our customers on a global scale across various verticals. We do use products from various third-party providers, and we do build products for a lot of customers. So that's a broader answer to your question. And as far as your question whether we are keen to make a product of our own at this point of time, there is no short term plans around being a product Company.
- Deepak Poddar:** Okay. And then ideally whatever R&D you must be spending in any particular year that you would be expensing in P&L, or anything is being capitalized?
- Niraj Gemawat:** No, nothing is capitalized. It's a very clean balance sheet because as I explained to you the R&D is not spent as part of capitalization. R&D for us is making our teams mark-to-market and keeping them ready. So, what you see as profit after tax is 100% apportioned to reserves or towards capital reinvestment into the growth. It's a very clean balance sheet.
- Deepak Poddar:** Fair enough and what was your R&D spend in rupees crores in FY24?
- Niraj Gemawat:** You can on an average expect that if we are around 400 engineers and team in the organization around 10% of all the time goes into upgrading, maintaining and creating capabilities on a mark-to-market basis. So, if you would stop doing that we would be able to produce more and deliver much higher margins but that's not how the technology industry should ever work. I mean we have learned over the years that learning, upgrading and continuously being ready for the future trends is how tech industry should align and that's how this is also being done.
- Deepak Poddar:** So around 10% of revenue. So ideally last day our revenue was around...
- Niraj Gemawat:** You can say 10% of the employee cost, not of the revenue and not of the overheads. So, you can say that maybe between 4% to 4.5% random numbers I'm giving you 4% to 4.5% of the revenue you can expect it to be going into training and upgradation and research and so on.
- Deepak Poddar:** So maybe I mean last year would have been in the range of INR3.5 crores, INR4 crores or somewhere?
- Niraj Gemawat:** Around INR4 crores to INR5 crores, yes.
- Deepak Poddar:** Yes. Okay got it. And I mean given the opportunity and I mean the growth that we have been speaking about, I mean, what sort of I mean you have to see next 2 years what sort of CAGR range we may look at on the on the growth part on the revenue front and even the margin front how do we see that? I mean your last second half margin was lower as an year average your margin was much higher at 24%. So how should we look at it for the next 2-year perspective?

Niraj Gemawat: I'll give you the answer to your last piece first. The margin on a quarter-on-quarter often depends upon when you have invoiced what to your customer and when you deliver what to your customer based on where the contracts and projects are designed as part of the contractual agreement you have with your customer.

On a year-on-year basis, we do not believe that our margins will at all go down because everything is in favor the exchange rates are in favor, the productivity is in favor, reusable components and tools are in favor. The size of contracts and the size of customers we are signing up are continuously increasing, improving and we are going up the value chain in terms of signing multi-year contract and multi-year deals now within the space where we are.

So, we do not see margins having any challenge in time to come. And as far as revenue is concerned the intent is to maximize but to maximization not at the cost of doing something stupid and foolish. We do have a long-term vision to our organization. We do not have a short term overnight spend but we all do believe here that we are just getting started. I have built much larger pieces than this all my life.

And some of my investing companies even today are far more larger than what this size is. So, you can expect us to do our best and to bring the best of our capabilities to the doorstep of what I'm building right now.

Deepak Poddar: Okay, understood. But I mean, when you look to grow ideally it would be a fair thing to assume that your cost will not grow at the same rate as your revenue rate which will result in your EBITDA margin getting expanded?

Niraj Gemawat: It is not something which is a linear result of the entire process. I mean I'm sure you've studied the big boys of the industry as well. Unless you don't go into inorganic strategies your growth completely rotates around what level of investments and what level of growth do you want to keep on investing into. So, the biggest investment for us is access to markets. And as I mentioned to you that, I mean, I've sold in more than 60 countries myself and I have a pretty solid team which has also done it. So, we know how to go about approaching.

I mean, if those 2, 2.5 years of COVID were not in between, we would have been far more larger at this point of time than what it is. But we don't regret that because we did a brilliant job sustaining and growing even during those phase and making sure that our shareholders are well appreciated, and value is added. So, the intent is to remain, say, sensible and to do what is right, not being conservative at the cost of growth but being sensible at the cost of not doing something foolish.

Deepak Poddar: Okay, fair enough. That's very helpful. And just one last thing, who are the key peers we look upon to? I mean, who has similar kind of the product or the services that we are offering, have the similar gamut that we are offering?

Niraj Gemawat: I would look at my peers more in the markets where I operate, not much on the Indian landscape here because most Indian companies around me operate with hardly 2%, 3% of the teams on site and 95%, 97% of what they do is from here. And most peer companies around me operate as subsidiaries or subcontractors to a lot of large players in the small size. Or most

companies I look at in the local space are also around focusing on offshoring and outsourcing. We don't do any of that. We are very deep into consulting. We are very close to our customers.

We consistently aim to increase our onsite and on-ground presence in various markets, as we have done over the years as well. So, most of the businesses I would align with is we compete with, let's say, Sogeti from France or we compete with TEOTO and every kind of players in the Nordics or we compete with a few names in the Benelux ecosystem and so on, which again operate in the engineering space. So, at this point of time, we are completely dependent upon making sure that we build the right kind of tech and talent.

And if we can build more tech and talent, there is no dearth of business. So the spaces where we operate in is more dependent upon having the quality of talent and the quality of consulting capabilities and quality of innovative models and things that we take to our customers.

Deepak Poddar: Understood. And we build clients on an hourly basis based on our engineers?

Niraj Gemawat: Not really. There is a combination of permutations, combinations of outcomes-based billing is a very large portion of what we do when we do consulting. We do run workshops. We follow IDEO's methodology of design thinking for running workshops and innovation workshops for our customers. And then we realize these recommendations in those workshops by putting technology and engineering services to their use.

So, depending upon which customer where and in what format we operate, everything from doing fixed price to dedicated teams to sometimes early billing to milestone billing. So, all depends upon the nature of customer and the nature of engagement that we get in. But most of our contracts now are multi-year contracts. We aim to look for contracts which are at least three years and above in single engagements. We do start small, but the intent is to grow.

Deepak Poddar: Understood. Fair enough. I think that's very helpful, sir. I would wish you all the very best and thank you so much.

Niraj Gemawat: Thank you very much.

Moderator: Thank you. The next question is from the line of Mohammed Ahmed an individual investor. Please go ahead.

Niraj Gemawat: Hi, Mohammed.

Mohammed Ahmed: Yes. Hi. Congratulations. It's really incredible to see the kind of growth you guys have achieved in the last two years and the kind of wealth you guys have generated for shareholders. I wish you continue this momentum going forward. So, my question is around technology side. So, I want to understand how do we ensure that your technology remains cutting edge and relevant in a rapidly evolving industry?

Niraj Gemawat: I mean, technology is ever evolving. You can see that the speed at which the AI evolution happened. And I was just addressing a large team of colleagues and customers just two days back that suddenly AI, which evolved at a speed of light has become quite irrelevant right now

because all the data on the Internet has been consumed. And the recommendation engines need more and more data to become more and more relevant. So, the intent over here is to make sure that you first hire top talent in your setup. And then you have to continuously train them, grow them have the necessary ecosystem. You need to have the ability to make mistakes.

I mean, something that we tell in our organization is that if you're making money on all projects, you're doing something crazily wrong and you're making a huge mistake if you make money on all projects. So being I mean, we pray to Saraswati right as a knowledge industry that we are in. Lakshmi is important but for us, knowledge is the key to everything that we do. So, for us on a on a continuous basis to upgrade ourselves to remain mark to market. It is the whole ecosystem. It is the environment. It is the language we speak. It is the way we think. It is HR policies that we have.

It is the way we do our contracts with our customers. It is something that we have learned for more than two and a half decades now. And some of us in the leadership roles have been there done that to understand that you have to have an ecosystem where you can make mistakes. You can learn from your mistakes. That's the only way you're learning in this industry, which is changing at speed of light. So, it's a combination of organizational culture to looking for the right team to giving the space and freedom to your teams to make mistakes and to learn from it.

Having customers and continuously talking to your customers as well so that they also understand the trends that this is technology. It's not like buying let's say vegetable from a vegetable vendor or just going and buying a car which always works when you turn the key on. So, it's a combination of various things. But the most critical perspective here is the organization culture.

Mohammed Ahmed: Great. Thank you so much. This was really helpful. And I wish you guys really the best going forward. Thank you.

Moderator: Thank you. The next question is from the line of Neeraj an individual investor. Please go ahead.

Neeraj: So very excited with the numbers. Double the sales as compared to last year. What do we expect for the next two years? That is the first question. If you can give some kind of guidance. Second, I observed that our receivables have gone up and our cash has dropped. So, you stated that you are looking at inorganic growth. So would want your thoughts on that. Thirdly, if you could just allude to why the promoter holding is 48%. Yes.

Niraj Gemawat: Okay, so I'll start with the first one on the guidance side of things and growth. As I answered earlier, the intent is to keep doing what we do and to do it better. The current size is far smaller than what I have built all my life. So, I hope that I can deliver a fair amount of performance in times to come. Hopefully, if our results happen the way they are of our country, we get stable government. That means a lot to us on a global scale because Indian tech Company is hugely respected and appreciated on a global scale.

There is no doubt about that. And we do believe that we should be able to make a huge impact on not just we mean NINtec, but the Indian tech ecosystem should be able to create a substantial impact on a global context. So, growth should happen. We do believe that we should be able to consistently deliver the necessary growth. We do have multi year contracts. The contracts in the next year are much higher than, the current numbers that we have done. So, the way it works is you have business on hand, which is what you execute in the current year.

But you also have total contract value that you signed in the next year and the year after that. So, what we continuously and consistently try and achieve is that we have more signed contracts in hand for the next year before we end the current financial year. So, what do you see as your second question, I think, was around why the cash and cash equivalent was reduced on the balance sheet? That is primarily because it was invested in liquid funds.

It's not gone out of the Company. It's there in the Company. It is it is invested into liquid funds. The third question you had was why the promoter holding is where it is. We have we have had shareholders in the Company who have stayed invested from day one. And a fair number of them have shown tremendous commitment. When we initially started, some of our global investments also came in through FIIs and so on for an investor.

And that's how the structure is. I never intended to build a Company which was just 100% owned by me and add value single handedly. Because in this industry, you cannot achieve that. You need to diversify, and you need to have more people who contribute to it. So, that's how the Company structure is right now. Does that give you a fair answer?

Moderator: Neeraj, you are not audible at the moment.

Niraj Gemawat: Can you hear me? Because the person who asked the question was also called Neeraj. So, I don't know which Neeraj you are referring to.

Moderator: I was talking to the participant. The participant is not audible at the moment. We will move to the next question as there is no response from the participant's line. The next question is from the line of Esha Shah, an individual investor. Please go ahead.

Esha Shah: Hi. I have been following all the questions that have been happening. It's quite impressive that our future plan is quite promising. So, my question to you is, what are the main risks and challenges the Company faces? And what do we do to mitigate those risks?

Niraj Gemawat: The risks and challenges that the Company faces are always, we do operate in multiple markets on a global scale. And when you operate in multiple markets, you are always impacted by what happens on a global scale. Somewhere war happens or somewhere political instability happens or the law changes in certain countries or your customers' businesses get acquired overnight and you lose control on your relationship.

So, that's normally, these are the processes which we've all learned over the years as to how do you handle multiple risks. And there are technology risks as well, which happen. But apart from that, everything else has been there done that, which is fairly in control in terms of demand, supply of manpower and so on.

So, what do we do to mitigate these risks? Well, you do have very active treasury functions, one on your FX. So, we at least make sure that we are fairly covered for at least 3 years. And we have a very active treasury desk towards making sure that we maintain our FX flows. Apart from that, on the tech side of things, you remain fairly diversified. On the industry side, you remain fairly diversified by serving multiple industries.

And you do not let a single customer become more than 20% of your total revenue. So, it's not that you say no to a customer, but you do push your internal ecosystem to go deeper. The creation of the subsidiary in Netherlands was also part and parcel of a similar exercise, where we wanted to be more close to our customers in Europe.

And that's where the subsidiary was put in place. So there are various risk management techniques. And the CFO of the Company, the Company secretary, the legal team and some very, sharp people come from more than two decades of experience of running a similar kind of industry. And they do bring the best of those practices to our doorstep.

Esha Shah: Understood. Thank you so much for answering this and all the best.

Moderator: Thank you. The next question comes from the line of Anirudh Singh from Singh & Associates. Please go ahead.

Anirudh Singh: So, can you please tell me what you are the main challenges, the companies face in maintaining their current profit margins?

Niraj Gemawat: At this point of time, profit margins don't remain as a challenge, Anirudh, because the market is pretty large. And the opportunity and especially the markets we operate in, are very, special. We operate across Nordic, Benelux, Germany and so on. These are markets where your relationships with your customers survive much longer.

Your deal sizes, though they start small, but they grow at a consistent pace if you can really do well. So, I would always just look at one single challenge as my quality of talent and team. And if we have and continuously can keep on adding good quality talent and we get close to our customers and continue to do what we do well, this doesn't seem to be a major challenge in the near future as far as doing what we are doing is concerned.

Because the markets we operate in are with very high entry barriers as well. Not every Tom, Dick and Harry can get into these markets. This gives us a tremendous amount of edge over absolutely anybody else in the marketplace. We're not a typical Company with just staffing here into North America and so on. We are pretty high on the tech and technology landscape, operating and serving customers in various non-English speaking countries in the world, which gives us a fair amount of long-term sustenance and comfort.

Anirudh Singh: So, how about your expansion Talentpool is influenced by the Company's operational capabilities?

Niraj Gemawat: We are consistently adding capital, sorry, Talentpool. You can see from, we do believe that on a year-on-year basis, we do add between 40%, to 60% of our team size. So, we are fairly geared at this point of time to grow from 400 to more than double in the next 12 months. But that's intentional. It depends upon various market conditions and scenarios. But as far as our ability to attract talent, retain talent and one of the preferred employers in the region is concerned, it's pretty high. We're also adding a lot of talent onsite on global teams in local countries as well, which will increase costs, which will increase our billing rates substantially.

Anirudh Singh: And my last question is, can you please elaborate on your key innovation introduced by you in FY'24 this year?

Niraj Gemawat: Innovation is always done in terms of the consulting work that we do for our customers. So, we've done a fair amount of work in the healthcare space, building IoT platforms for healthcare. We've done some very innovative and interesting work on the data side of things for the financial markets as well, for creating predictive models on various parameters for the financial markets.

And we've worked in the EV space. We've done a lot of work on self-healing batteries and so on. So, on various industries, there are a few case studies on our website as well, which you're more than welcome to take a look at.

Anirudh Singh: Okay, thank you for answering my question.

Moderator: Thank you. The next question is from the line of Jignesh from Jiva Capital. Please go ahead.

Jignesh: So just as you answered in the previous question that there are a lot of high entry barriers and earlier also you told us in complex engineering work. So, for a layman, can you give an example of a sector or a Company through which we are able to do such work and execute this kind of project?

Niraj Gemawat: So, what I meant by high entry barriers is the ability to operate in the non-English speaking parts of the world. For most of us, traditionally from India, it's very easy to operate in the US and UK, for example. But culturally, if you want to operate out of, let's say, Norway, Finland, Sweden, Denmark, Netherlands, Belgium and from Eastern Bloc countries and so on, it needs a very deep ability to understand the cultural gaps and how do you engage with these customers, how do you contractually engage and so on and so forth.

So that's what I meant by what we have had to build, overcome and get expertise going. And as I mentioned, I mean, most of us have done this for many years. So, it was not that we're doing it for the first time in our life and career.

The second question you had was maybe give you some example of what we do. So, let's do one of the Fortune 100 companies that we work with in the healthcare space. We're doing

some very exciting work on ICU management and IOT-based beds and management of how a patient is able to improve his recovery after, let's say, a heart and lung transplant operation.

And then understanding that data, creating predictive models, understanding what equipment was given to patients with what parameters and how each and every equipment was responding towards the treatment procedures and making sense out of this data, basically and providing necessary recommendations and capabilities to the doctors on ground. Maybe give you one more example, could be a huge fleet of cars. Let's say somebody has a fleet of 30,000 cars and these cars have to be maintained, these cars have to be started, allocation has to happen every morning, they have to be bought, sold.

You must have heard of usage-based behaviors of these cars and nowadays there is a lot of trend globally for platforms like Zipcar and free mobility kind of platforms where you don't need to own a car. Cars are just lying around in our entire city, and you just tap in with your NFC or Bluetooth and go access the car, drive it from point to point and end it. So, these are some very, very powerful solutions that we've built for customers in the Nordics, in Norway, in Finland and so on.

And we maintain them, we build them, we enhance them and do a lot more. There are many such cases. We do serve anywhere between 30 to 40 customers at any point of time, of different shapes and sizes.

Jignesh: So, your onsite employees would be more than 50%?

Niraj Gemawat: No, onsite at this point of time is growing and we are consistently working towards making our onsite team to be between 20%-30% in times to come. But that's, again, an intent, which depends upon the nature of business that we grow. And currently, the majority of our teams are based out of our Ahmedabad location and very few team members through our subsidiary also operate. And the teams are getting added as we speak.

Jignesh: And what is the reason for, I think, high receivables of INR22 crores? So, because of any deal?

Niraj Gemawat: No, not really. These are just generally working capital needs that you have. Customers pay between 30 to 60 days in terms of payment cycles.

Jignesh: So, this kind of money that will come in this quarter?

Niraj Gemawat: It comes regularly. So, we do not have any major bad debts. That's what you're trying to ask out of this. So, you would always collect this money within 30 to 60 days. Depends upon how the contractual agreement is. Some customers pay in 30 days, some in 60 days. And the countries and the markets we operate in, you don't have too much of a stress of bad payments. Payment cycles are quite adept.

Jignesh: Okay, thank you.

Moderator: Thank you. The next question is from the line of Arush Khanna, an Individual Investor. Please go ahead.

Arush Khanna: Yes, I just wanted to take a moment to congratulate the Company for the successful roadmap it has had so far. And I have been following the Company since the last 2 years. Further, I would like to know if you can discuss any key strategic collaborations or partnerships that you have recently established in the market?

Niraj Gemawat: I mean, collaboration at our level, we do operate very closely with Microsoft, with Azure and Google and so on, in terms of closely collaborating and utilizing their ecosystems for growth and creating joint offerings as well. In the cyber security space, though, we have started building some very, very powerful collaborations over the last 2 quarters. And we will see a fair amount of results of that.

These collaborations are local companies in local markets who have access to their security ecosystems. And what we do is we are piggybacking on them to create an outreach to their customers through our capabilities and our SOC center, where we offer everything from 24X7 monitoring to penetration testing to consulting towards building the security pipeline and security landscape for customers and so on.

Arush Khanna: Okay, that answers my question. Thank you so much. I wish you all the best.

Moderator: Thank you. Ladies and gentlemen, there are no further questions at this time. I would now like to hand the conference over to Ms. Chandni Chande for closing comments. Over to you, ma'am.

Chandni Chande: Yes, thank you, everyone, for joining the conference call of NINtec Systems Limited. If you have any queries, you can direct to us at research@kirinadvisors.com. Once again, thank you for joining the call.

Moderator: Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.