

**Vinsys IT Services India Limited**

(Formerly known as Vinsys IT Services India Private Limited)

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Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
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**Sub.: Transcript of Earnings Conference Call pertaining to H1/FY 2023-24 Results**  
**Ref.: Vinsys IT Services India Limited (Symbol / ISIN: VINSYS / INE00SJ01014)**

**Sir / Madam,**

With reference to the above, we hereby enclosed herewith transcript of the Earnings Conference Call on H1/FY 2023-24 Results, held on Wednesday, 29 November 2023.

You are requested to take the same on your record.

Thanking you.

**Yours faithfully,**  
**For Vinsys IT Services India Limited**

**Gayatree Karandikar**  
**Company Secretary &**  
**Compliance Officer**

**Encl.: As above**



**Vinsys IT Services India Limited**  
**Q2 and H1 FY24 Earning Conference Call**  
**November 29, 2023**

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**Moderator:**

Good evening, ladies and gentlemen. Welcome to the conference call of Vinsys IT Services India Limited to discuss the Q2 and H1FY24 results.

We have with us today, Mr Vikrant Patil, Chairman and Managing Director, Mr Kunal Patil, Director International, Mr Karan Patil, from promoter group and Miss Sanika Dhamankar, CFO from Vinsys IT services India Limited.

Vinsys IT services India Limited was incorporated in 2008 by Mr Vikram Patil and Mrs Vinaya Patil.

The company is headquartered in Pune, Maharashtra and specialises in corporate training and consulting across a broad range of domains. The key business segments are training and certifications, digital learning IT, development services and foreign language services. Vinsys offers 326 courses across 17 domains. The company has footprints in USA, UAE and strong delivery experience in Saudi Arabia.

On a consolidated basis, the company reported total revenue of rupees 79.41 crore, EBITDA of Rs. 10.03 crore and PAT of Rs. 8.03 crore.

The company has grown its scale of operations to consolidation and acquisitions, and is now well poised to expand its presence into the Middle East and USA.

I would now like to request Mr Vikram Patil, Promoter, Chairman and Managing Director to share his opening remarks and insights about the company. Thank you and over to you Sir.

**Vikrant Patil:**

Thank you very much. Good afternoon, everybody and I don't know the number, but I'm sure it is a good number and I welcome you all for this call and I'm really happy to be speaking to all of you, though it's not a video call, but still I would love to interact with you and I would not want that to be one interaction, but going forward also we'll have to have more interactions and I would love to answer the

questions you might have in our about our performance going forward. So thank you very much for joining the call.

And as I mentioned that our results are already been published and we have already uploaded that on the exchange and I'm sure you must have already had a look at it. But still I'm very happy to announce that the strong results which we have delivered in the first six months of this year as you all are aware that we listed on 11th of August, so we've just completed over 3 months and few days.

So this is our first call after the listing, so I'm really happy and going forward should have more and more interactions. So as mentioned on the exchange when we had already declared all the results and as mentioned currently also that we have had a very high growth and we are very happy that we are right on track for the commitments what we have been doing about the whole year guidance and as I said, the training industry and the software development which we are in and the locations which we already have our presence now gives us and after the IPO, we have made sure that the funds which were available and which were assigned to the proper way which we have decided which is going to give us a major boost in terms of revenue and PAT which we are really very interested in talking about and going forward, we look at a major expansion which is happening all across the locations which we are good at.

I would like to mention few highlights before getting into the question and answer, because I'm sure everybody is more interested now in the question and answer session because you all must be following us in terms of our performance and the numbers. So that as I said in the opening remarks that you already have their site of understanding on the number. But still, as I said, we are so happy because we could achieve this numbers in the six months because even though as I said, it's just three months when we listed and we've deployed the funds and then it takes its own time to get the results out of those investments and expansions which we have done.

But having said that before the while the September quarter ended we were only 1 1/2 month old after the IPO, but we still have shown so much of growth which gives that confidence to me and to I'm sure I want to pass on that confidence to you as well as to imagine what will happen with the funds deployed. And once that deployed funds which have been the right way, which we start fetching us, the results which we are expecting, so they're very upbeat about it, very happy about it and we are very, very happy about looking forward on the Expansion path.

Middle East, as I said, I'll put some highlights as even the industry which we are in the software development which we currently do in India is definitely something which is really on a growth path and so much of investments which are happening in digitising that gives us opportunities to actually bid for more projects and with availability of

funds we can, as in my previous call, we had mentioned about the constraints in terms of EMT's and performance guarantees, which has gone out and that has helped us.

So that industry software development is something which we look in a major way where we can see the growth coming in. Apart from that, the training industry, which has been our Forte, which is definitely growing and which we are capturing new territories including the Middle East, the Middle East has been a very strong point for us and with all the innovations which we have done and the acquisitions which we have done and the new domain, the new territories which we have opened ourselves into it, it's wise for a huge growth for us. We also have, as I said, Karan and Kunal on this call, who had their based out of Dubai and they've attended this call from there. They have that plan which is on the expansion path and as you must have seen that we have mentioned that we have already reported to exchange that we opened in Saudi Arabia and Qatar.

So we already have our presence in Dubai, Abu Dhabi also in Kuwait on a smaller level but now full-fledged into Qatar and Saudi. So these are the major markets in Middle East and we had done a couple of acquisitions before our IPO. So that has also materialised into getting us more and more reach to the market wherein which we'll be able to get more of the revenue which is expected from them. And we are very happy learn a bit about our Middle East operations and that's where the focus is also.

And that's where we are all poised to grow there. So that that's so up in the training industry apart from India and Middle East we do have that us is also something which we have expanded, but we are very small there as of now. But we will definitely go ahead and do that in the next phase of growth.

Software development as I mentioned in India, we are really doing well and the basis that we have also looked at, we have also declared to the exchange that we have got couple of acquisitions which we are looking at. We have already signed the term sheets with both companies which we are actually trying to look in that the exchange has already been notified about and we are also looking at completing those transactions as early as possible in the couple of months going forward.

So mergers and acquisitions is also one of our top agendas and we've also hired new people in the new locations. So the team is set, the locations have been identified. And already offices have software development is something which we are not. As I said, we are looking and that is also price for growth.

So overall we are on track and we already have packed few orders. We have already informed exchange about those orders which are right now currently when I speak to you are under execution and we

are very happy that the execution is going on very well in those orders and we will be on track as to what we have already decided for this year.

So I'm very happy and very confident about delivering the results what we have promised and this would not have been possible without your contribution, whatever you have done during the IPO post IPO and having faith in us and request to have the same and confidence and faith and we will definitely make sure that we deliver, we promise.

So thank you again for joining and finding out time for this call. And as I said, I didn't want to have much more time, but want you to have the question and answer session going forward and we welcome your questions for that and we are very happy to answer.

I have team as was mentioned Sanika our CFO is also with me for any numbers if you want. She would take those calls if it's required. And we also have Kunal in sitting out of Dubai. He is also very happy to take any questions which are related to that locations so over to you for the question and answer, thank you.

**Moderator:** You thank you very much. We will now begin the question and answer session. We have our first question from the line of Mayur Liman from Profit Mart Securities. Please go ahead.

**Mayur Liman:** Thank you for the opportunity and congratulations on a good set of numbers. My first question is about the global presence. Right now the company is in the five countries. Please provide a geography wise revenue breakdown.

**Management:** See geographically if you see currently we are in India and apart from that majority of is in Dubai. So we have Dubai Abu Dhabi which was already there for the first six months. So if you ask that the revenue would start Saudi Arabia Qatar, which will start from this month, so if you ask for the revenue which is geographically outside of India was 20.44 crore out of the revenue which we are declared of 79 crore 20.44 was from kind of those countries. If you ask me, majority 90% of it is between Abu Dhabi and Dubai and 10% would be from the US. So these are the three locations which have contributed to this revenue.

**Mayur Liman:** OK, Sir, please share the strategy for the global presence expansion. How did the company select any country for the expansion? What are the parameters the company follows that will give us the more clarity about the global present strategy for the company?

**Management:** OK. So the global strategy as you are aware, we have been present in the industry for almost now 23 years, so we understand the education market, we understand the software market and we also understand

the competition which is there and how do we cater to all this and make sure that we are successful.

So basis that we have already because of our expansion which we had done in the Middle East, it's almost the 10th year now. So we had acquired two companies previously in the Middle East, so I am very happy and confident and I would rather say here that we are among the top two training providers in the whole Middle East.

So we it's not that the strategy is something which we have decided now but it is over a period of several years which we have created this name for us and that's why we are dominant there and we are also present there. Now we wanted to make sure that this has been extended to the other locations. So that whole of the Middle East becomes our major focus and we are much ahead than the competition and we make sure the market share has been acquired by us before anyone comes in and we are very good at retaining our market share so. Because of our experience of 25 years in this industry, we're very good in maintaining our market share. So we were lacking there with our reach. So that's where we made sure that Middle East, in Middle East, if you ask me the strategy Abu Dhabi and Dubai, apart from that, Saudi Arabia is the major player in Middle East if you ask me and that's where the majority of spend comes in.

But previously we were not present in Abu Dhabi in Saudi Arabia because we have to new law says that we have to a local presence there. We have to hire local people and we have to have the local registration there. So it was very easy for us to manage Dubai, an Abu Dhabi and with the new generation in the promoter group and in the new generation, which has already come in with their help.

So we are very well poised if I tell you this, the strategy wise, Middle East is our major. So as I said, we are very ahead of anybody there and that's where we are creating, making sure that we capture all the market share that's one strategy. So that led us to get into Qatar as well. So there also we have now our office, we have heard the local recruitment, the local registration has happened so Qatar, Saudi Arabia, Dubai and Abu Dhabi are the majority of them and Muscat is something which is also in the plan, so that caters to the Middle East market for us.

And the second strategy. So this is a no brainer for us. We are strong, we want to make ourselves stronger by expanding into that region with having local presence so that answers your question on the strategy in the Middle East. And similarly we are looking at US as the second point wherein we would definitely look at because the US market has a potential of having so much of requirement which comes in from there for both software training and for software development.

So now that's where we have started our inroads. And as I said, we are a little smaller there, but we want to make sure in our strategy that we will definitely become bigger and that will also be create a some major market share from there. Currently the market share is very less for us because we are very small there, but even 1% of share in the market in the US is a huge market wherein that will give us. So in Middle East, our strategy is to be bigger and present at every location and here the maximum market share of it. Whereas in the US, the market share itself is so big, so even if some portion of it comes to us, it's a big number for us. So these are the two strategies as of now for this year wherein we will consolidate on Middle East and expand in the US.

Just to add on, to the strategy of Middle East, is that till the last couple of years, Middle East was quite reserved and not open to global players and global population given the changes in the policies and the whole government policies in the Middle East region and the growth towards tourism and openness to all the international companies and the demand in the market has also increased drastically, which was lacking in the couple of years like Saudi was not allowed for companies from global companies to open their offices there. But now they have given that because there's a huge requirement in terms of their growth side recently, they've just won the new Expo in 20-30. So the boom and the demand in the market also has increased to which made us lead taking decisions where the demand has become greater. So the expansion for us becomes a no brainer because the demand is already there. And hence we've taken that as a part of plan to foothold our presence in the Middle East very strongly and then hence we are expanding all the major countries in the region.

**Mayur Liman:**

OK. Thank you, Sir. That will give some more clarity. My next question on the CapEx. Is any CapEx plan for the future?

**Management:**

Well, whatever we had disclosed in our (DRHP), we are only sticking on that and now advantage for us is because of online training. So we don't have our physical centres to be equipped with training rooms that are major CapEx was has always been on the physical training rooms to be constructed, but we have an advantage. Now that the trainings can happen online, so we definitely need a local presence with local sales team. But we don't need huge office space which was our previous before COVID we had that requirement always as to having our own.

So CapEx wise we will not be majorly getting into any of that. But yes, the small portion as mentioned in the RHP is, it's still is going to be spent but not on that level where in previously before COVID was the CapEx requirement.

**Mayur Liman:**

Thank you, Sir. And my last question is, what is your expectation from the next quarter or next half year?

**Management:** Except that, as I said, we are very upbeat and I'm so happy and being restricted to give forward number, but still whatever we are promised we definitely are on track and we will definitely be delivering that and we have as I said it's not just because I want to say it because the pipeline is there and the exhibitions are on.

**Moderator:** Thank you. We have our next question from the line of Utsav Adesara from Nilesh Parekh. Please go ahead.

**Utsav:** Hi Sir first of all congratulations for getting listed company.

**Management:** Thank you, Sir.

**Utsav:** sorry but I miss the introduction part. Could you please tell us what is the top line and bottom line for the year end?

**Management:** So the top line, as we have mentioned and to project growth wise anyways which we have year on year we already have over achieved what we had already achieved last year. So it's basically the growth has been phenomenal and if you see the comparison in fact the numbers are already available on the exchange which we have already sent that presentation if you will be able to get it. But we're looking at least reaching to increasing our revenues to at least what we deliver. If we are delivered 95 crores last year then we are making sure that we already have reached 80 crores by first six months. So that's the growth we want to maintain and we want to reach the numbers which we had promised. So it's 80 is already done in the first six months itself. So definitely we are on track to double that what we have done in the first six month.

**Utsav:** Okay that means it will approximately around or over the 160.

**Management:** We would definitely love to do that.

**Utsav:** On last year, say at least 60 to 70% growth on the internet.

**Management:** Definitely. That's what we are looking at because we've already done it now. So we're right on track.

**Utsav:** OK, and sir as you have said that revenue from Saudi Arabia and Qatar will start from this month so whatever your strategy, for the 2 to 3 years it will remain the same to see same level of growth.

**Management:** Definitely, Sir. We are also doing acquisitions. We are also bidding for more projects. So we would not want to sit on our laurels. But we want to always increase our benchmark and we want to make sure that we give the best to our shareholders as well.

**Moderator:** Thank you. We have a next question from the line of Deepak Poddar from Sapphire Capital. Please go ahead.



**Deepak Poddar:** I think, Sir, in your opening remark as well as to one of the, I think answer you mentioned that we are very upbeat and we are on track to what we have promised. So just wanted to reiterate, what we have said in the past in terms of our outlook.

**Management:** So we have been always saying that we want to reach something at least on the PAT side, we definitely on the revenue side, we are seeing an exponential growth. As well as we want to make sure that is also reflected into our earnings. So that's where we are looking at increasing from 40 to 50% CAGR on our PAT every year is what we are trying to push ourselves and try and make sure that we achieve that.

**Deepak Poddar:** So the 40-50% PAT CAGR for next three years.

**Management:** We definitely have our targets set accordingly.

**Deepak Poddar:** And this includes our inorganic aspirations, right?

**Management:** Yeah, all put together.

**Deepak Poddar:** All put together we are looking at 40-50% PAT growth for next three years, including the inorganic aspirations.

**Management:** Absolutely.

**Deepak Poddar:** And I mean just wanted to understand if you see last three half year lease, our EBITDA margins have been quite volatile. I mean, in the first half we had 13% last year this year, first half we had 12-12.5% and second-half last year we had 24% EBITDA margin. So I just wanted to understand why is so much volatility in your a EBITDA margin and how one should look at going forward?

**Management:** Two things in that, one was the last year if you see the acquisition of one of our manpower division which was there, which was not included in those numbers, which happened only in the month of January 2023. So those numbers are not included in that. So that's the revenue side. But if you see on the pat side, there are couple of advantages which we had this year. It's not volatile because I would say that if the manpower revenue in our 80 crore this year is almost around 38 crore.

But in the last year, if you see there is no manpower revenue included in that, so the EBITDA margins were less that time. But if you see this year out of 40 crores, if you talk about EBITDA, we have almost done 9.5 crores which is margin wise if you see it's more than 22%.

So that is something which is really good and this is what we would want to maintain. Manpower business has its advantages, but it also has a lesser if you had attended my previous calls, you would have understood the division of the revenue coming in from 3 different

pillars. So manpower is one of them, which we definitely wanted. Because it has its advantages in our bidding process for our software development projects. But the margins are less there.

So if you consider out of this 80 crores, 40 crores from the training and software development business, the EBITDA margins are much higher. It's almost around 24% and that is what we would want to maintain it for the whole year. Every for the next couple of years, at least 3 years.

**Deepak Poddar:**

Yes, I got it. So, this volatility or what we perceive as the volatility is because of your revenue mix, if your manpower, so this half early or 50% of revenue has come from manpower which was so effectively that means your training software development had not seen much growth, right?

**Management:**

So it is almost around 20% growth because if you see by September till, August 11 we were actually listed. For the first six months we were already into all these processes and we were into all this. And then we are building a lot of projects which we got awarded in the month of October and we have started execution of those projects.

So everything the first six months were very volatile for us. Because it was a new, it was a change for us. 11th August is where we actually listed ourselves. So that is where we so now going forward we want that consistency wherein. We've understood we got the grip of this whole situation now and we have the funds available. We have invested.

In fact, what we did is in the month of June, July itself, we started investing in people because it takes time for us, once we invest into people with our businesses wherein that doesn't mean you have more people, the revenue immediately goes up, it takes its own time.

So what we had to do is the, so there was a lot of investment which has gone in and that definitely goes towards the expense part of it. And then the pat gets affected, but now the results will be seen this half year.

**Deepak Poddar:**

So what effectively you said is that I mean in last year first half, our total revenue was 34 crores, which did not include any kind of manpower revenue. So it was purely training and software development which 34 crores became 40 crores in the first half of FY24.

**Management:**

41.28 crore.

**Deepak Poddar:**

41.28 crore and remaining being the manpower? No, but going forward, how should we look at manpower revenue? I mean will this run rate continue? I mean this 30-40 crores kind of a quarterly run rate or how one should perceive as the half yearly.

**Management:** So we're looking at around 60 to 70 crores from the manpower and the remaining almost around 90 crores from that is the growth we are looking at 90 to 100 crores from our software and training business. And then also international was small now it's some big so that will also content. In international we don't do any manpower. Manpower is only in India.

**Deepak Poddar:** OK. So 90 crores of training software and 60-70 crores for manpower. So ideally that's 60-40 ratio. So you're overall EBITDA margin then would remain in the range of 13-14, 15%, right? For FY24.

**Management:** Absolutely right. Because we are trying to make sure that the training and software development revenue increases little more which is what we are looking at and we are hopeful that will happen. So we're looking at targeting anything around 15 to 16% of the EBITDA margin.

**Deepak Poddar:** At the consolidated level?

**Management:** If you see on the PAT side, the PAT side for training in software development is much if you only consider training and software development. The EBITDA margin is almost around 25% to 26%

**Deepak Poddar:** And then how do we see this mix of manpower and training software revenue in FY25?

**Management:** I see the manpower is something which may not grow, but software and training you definitely want to grow because that is where, as I said, the advantage with the manpower is that it increases our threshold of bidding for bigger projects because of our consolidated revenue.

So we qualify into a different bracket for software development training base which we actually the RFP which we bid for. So that's why we definitely want that to be part of our plus it shows our strength of having people on our roles also which is also a prerequisite for qualifying for few of the projects, so that will still remain there, but we it has its own advantages. But going forward we want to maintain it to that level only but increase our software development and training portion more and it will definitely become more because the expansion is all happening in the. And all the IPO funds, most of them are getting into that itself. So it will definitely the concentration is always on software development and training and in the location Middle East and US.

**Deepak Poddar:** So ideally an EBITDA margin will improve next year, right? I mean, because your mix will be more towards software development.

**Management:** That's our target as well.

**Deepak Poddar:** So what would be our EBITDA margin range for next year?

**Management:** Next year we definitely for EBITDA margin if consolidated basis in next year immediately it may not change much but we definitely want to increase it to make it up to anywhere between 16 to 20. But here after that yes that will definitely be and we have few pipelines. So even next year also we would want to improve that.

**Deepak Poddar:** So next year FY25 16 to 20% EBITDA margin, we are looking at, right?

**Management:** Yes.

**Deepak Poddar:** OK. And just one last thing, manpower, what is our margins like you mentioned training and software it is about 24% for manpower what is our margin?

**Management:** 2%

**Deepak Poddar:** OK, fair enough. I think that's it from my side, Sir. All the very best to you. Thank you so much.

**Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to Mr Kunal Patil, Director, International advances IT services India Limited for closing comments over to you.

**Kunal Patil:** Thank you so much everyone for joining us today. I really hope you found this call informative and you found have got a better understanding of our company's performance and outlook in.

I just like to reiterate some of our key takeaways from the today's call. Like we said, we are making a very strong progress on our strategic initiatives. We're very committed to delivering the sustainable growth and profitability that we're running at and we are excited about our future of our company. We're also confident that we are well positioned to capitalise on the opportunities ahead to a very really strong team, a clear strategy and a solid track record of execution.

So we really look forward to sharing our progress with you on all our future calls. Thank you once again for taking out some time and showing interest in knowing about our outlook. Thank you all.

**Moderator:** Thank you, ladies and gentlemen, on behalf of Vinsys IT services India Limited, that concludes today's session. Thank you for your participation. You may now exit the meeting.