



June 06, 2025

Manager - Listing Compliance
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai-400051

Symbol: CMRSL

Sub.: Transcript of Group Conference Call with Investors on Q4FY24-25 Results

Dear Sir/Madam,

In furtherance to our letter dated May 24, 2025, pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the group conference call with investors on the financial results of Q4FY24-25 held on May 30, 2025.

The said transcript is also available on the Company's website at www.cmrsl.net.

This is for your information and record.

Yours truly,
For Cyber Media Research & Services Limited

Savita Rana
Company Secretary
M. No. A29078



Cyber Media Research & Services Limited
Q4FY25 Investors Conference call

Event Date & Time : 30.05.2025, 16:00 Hrs.
Event Duration : 01 Hour 18 Minutes 52 Seconds

CORPORATE PARTICIPANTS:

Mr. Pradeep Gupta
Chairman and Director

Mr. Dhaval Gupta
Managing Director

Mr. Krishan Kant Tulshan
Audit Committee Chairman

Q&A Participants list:

- | | | |
|----|------------------|-----------------------|
| 1. | Bhaves Choudhary | : Wealth Vichar |
| 2. | Parth Chawda | : Individual Investor |
| 3. | Rishabh Jain | : Individual Investor |
| 4. | Hardik Nayyar | : Individual Investor |

Moderator

Good evening, ladies and gentlemen, and welcome to Cyber Media Research & Services Limited Q4 FY25 Earnings Conference Call. As a reminder, all participants will be in the listen only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * and then 0 on your touchtone phone. Please note that this conference is being recorded.

Now I would like to hand over the floor to the Managing Director, Mr. Dhaval Gupta. Thank you, and over to you, sir.

Dhaval Gupta

Thank you very much. First of all, I'd like to thank all the investors for taking out their valuable time to join CMRSL annual performance call. In terms of the financial year's results, we have already shared the results in the public domain. I would like to start by commenting that we are not happy with our performance this particular financial year.

It is a departure from what we had planned for, and it is also a departure from the previous three years where we had delivered 42.7% compounded annual growth rate. I am referring to this financial year from 2021 to 2024. In the previous financial year, we registered revenue of INR 75.03 crores. This is a decline of 14.09% from the previous year. The EBITDA recorded at INR 3.73 crores and the PAT at INR 2.26 crores.

Specifically, on Q4 earnings, we registered INR 18.59 crores as the top line. This is a decline from a year-on-year basis. We registered EBITDA of INR 81.28 lakhs for the Q4FY25. H2 of the FY25 was better than H1. We grew by 10.01% in the second half as far as the top line, and bottom line was also better.

The Board of Directors has taken very serious note of the performance of FY24-25. We are proactively initiating various process changes, technology automations, as well as improving the sales engine of the Company. I would also like to mention here that we are very confident of reversing this year's performance and make sure that we are bringing back the growth trajectory this financial year.

I would also like to highlight on some other performance figures. The overall advertising industry in the previous year slowed down to about 6% growth overall. I am referring to the advertising industry in India, whereas digital marketing spends grew about 15%.

In reference of CMRSL, we had a situation where we saw a reduction in spend across various clients. I can say that we did not lose any major clients during this financial year. Having said that, this was we found reduced spends on marketing. We had an improvement in our programmatic business and that is, of course, positive point for us from the perspective of our India business.

The major impact came from our international operations. This is where a lot of the international inventory we have been managing in the previous financial year, there was a softness in terms of ad rates. There was a reduction in terms of the advertising dollars that we are going towards, the inventory in terms of the CPM rates. So, the international operations,

is an area that we are looking at very closely. However, one of the reasons was that there was a slower flow of campaign.

As we mentioned in the previous investor call, we maintained throughout the year a very strong sales pipeline. This is something that we had spoken about 6 months back as well, and this continues to remain true. Our sales efforts were on point. However, we have had a challenging year in terms of closures. There are various factors especially in the international market (which has faced a lot of geopolitical uncertainty) that has impacted our revenues in the past year.

On the technology development front, we have added customers to CMGalaxy. This is something which is again a positive note which adds some profitability to the margins. In terms of the quantum of revenues and customer base, this is something what we are working on steadily expanding.

The other challenge is that a lot of marketers in the industry are at a cusp of trying to understand their AI usage. So, marketing and AI is definitely a major industry trend. We are at a very good position as far as this is concerned because CM Galaxy leverages AI and enabling teams to deliver better marketing results. We are getting very good feedback and results from the existing customers.

However, we need to work more towards both scaling our sales operations as well as continuing to invest in technology so that we remain very active on the latest technology in AI. As you all know that there is a lot of change which is coming because of the world of AI. Therefore, we are continuing to make sure that we are investing on that front. We are confident that our road map remains very positive as far as CM Galaxy is concerned.

Now I would like to talk about certain operational improvements that we have been working on as an organization. CMRSL invested fair amount of time in training as well as adopting proactively various automation as well as various AI tools. This has brought in a significant amount of improvement across operations, sales, and finance in terms of efficiency.

We have our in-house MIS platform area where a lot of the magic is happening. For example, from a finance point of view, we have streamlined significantly in terms of how we are doing our invoicing as well as project management. Operationally, teams are using AI a lot in terms of campaigns that we are managing from a creative point of view as well as campaign management and data analysis. We are leveraging tools like Canva, video creation, etc. which has brought good efficiency.

Even on the technology development part, our teams are now using significant amount of AI that is helping us really speed up the development cycle. We're using major platforms like Cursor AI as well as Visual Basic and AI integration to speed up our processes.

In terms of partnerships in the industry, our partnerships remain strong. In fact, with respect to Google, we have also got a credit line with them in Singapore. In our Meta partnership and in our Meta credit line, we have received an enhancement. From the both of these, we expect to give us more opportunity and more growth in this financial year as well.

In this year, there has been a major win for us, which is a GST matter. The GST department had sent to us a notice of INR 8.09 crores. We were able to successfully get the matter settled

with the GST department earlier in the year. As far as, Q1 up to Q4 for FY 2024-25 is concerned, all GST is completely reconciled and normalized.

The final announcement that I want to make is that we have, of course, also announced a dividend for this year, subject to shareholders' approval at the forthcoming AGM of the Company. This has been earmarked for distribution. We haven't finalized the date for the AGM this year, but we are working on advancing the AGM by a month, so we would be looking at doing it earlier this year.

Those are the key points for today's call. In conclusion, I would like to share that we are working a lot in terms of transitioning from services towards technology revenues. We are very confident that this year has been an aberration. We are looking at confidently bringing the Company back to growth trajectory in this current financial year as well as moving forward. And with this I would request the Moderator to please open the line for questions.

Question & Answers

Moderator

Thank you very much sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question, may press * and 1 on your touchtone phone. If you wish to remove yourself from the question queue, you may press * and 1 again. Participants are requested to use handset while asking a question.

The first question comes from Bhavesh Choudhary from Wealth Vichar. Please go ahead, sir.

Bhavesh Choudhary

Hi Dhaval, as you said that advertisement business is not so good this year. So, what is the year-on-year change in India business and international business?

Dhaval Gupta

As far as India report is concerned, there was a growth overall in the advertising industry of about 6%. Digital growth, however, was at 14%. However, it continues to be a good shift towards digital. Major platforms don't specifically report that data, but their Indian operations continue to sort of grow. This is why, as far as the overall industry figures are concerned growth is slower but still positive.

At the global level, I wouldn't have the figure exactly. Having said that, the overall global growth in marketing has been slower, and it has been in single digit. One of the reasons for that, I would suggest, is that there has been a lot of globally and geopolitical changes. There is a lot of uncertainty and that typically, does have an impact in terms of advertising dollars as well. This is quick analysis in terms of the industry, but I'm very happy to talk about industry trends in more detail if you would like as well.

Bhavesh Choudhary

Yes, please.

Dhaval Gupta

In terms of global trends that we see in digital advertising, I would say that the first big trend is transition towards AI. The challenge is which I think that a lot of organizations are still not clear as to how to use AI, and it is being done in an ad-hoc manner. Different team members are leveraging AI in a different manner. This is where, the power of a product like CM Galaxy can come in where an entire marketing team can be unified on the product, and everybody can use a common AI tool to run marketing processes. So, AI is, of course, one major, trend.

The second one, that I would point out is connected TV. Connected TV, after many years, actually, analog TV advertising saw a decline in India. The Indian, analog TV growth was actually not a decline, but it was very low single digit. A lot of the analog TV budgets are starting to shift towards OTTs and connected TVs. This has already happened in mature markets like the US. But, this is a trend that's picking up in India now at a very fast pace.

The third major trend that I would want to highlight is that app ecosystem continues to grow globally. Apps are something that where there is a lot of continuity in terms of customers and that is resulting in more and more ad dollars getting spent as far as the ad ecosystem is concerned.

So, I would say that these are three very significant trends. When it comes to our approach and what we are doing in the programmatic area, both the connected TV, as well as the app display, ecosystem are areas where we are picking up more campaigns, and we have some better partnerships in place now. I'm confident that this year, we will be able to bounce back and get back to high growth number.

Bhavesh Choudhary

In the international business segment, what was the y-o-y decline in revenue? Can you please tell us both in absolute terms and in percentage as well?

Dhaval Gupta

The YoY growth in our international business was INR 20.85 crores in this financial year and INR 28.76 crore in the previous year. So, as you may be able to see, most of the impact is from international operations.

Bhavesh Choudhary

Okay. And what about Indian operations?

Dhaval Gupta

In this financial year, the Indian operation clocked INR 55.09 crores, while in the previous year, it was INR 59.33 crores.

Bhavesh Choudhary

Okay. Is this impact caused majorly by advertising business or other business also?

Dhaval Gupta

The impact was primarily on the advertising business. In our analytics business, we had an impact from a couple of large projects. Yes, we saw an impact on our advertising business, market research and consulting business.

Bhavesh Choudhary

Okay. In the previous call, you mentioned that CM Galaxy was like, in GTM phase, and that we would see numbers in the second half. So, I'd like to understand, how has it performed so far and, like, key metrics or traction you can share?

Dhaval Gupta

We are onboarding clients on CM Galaxy. I don't have a specific set of numbers in terms of breakup for CM Galaxy for you. It falls under our agency business. Having said that, we have been onboarding clients on CM Galaxy. The update is not right now at an aggressive, level. Our focus on CM Galaxy continues to remain where we are investing in technology, particularly on the AI front, which I have referred to earlier. It is very important because it is very dynamic changing environment.

The customer feedback, specifically on CM Galaxy, has been very positive. We have improved the product and the functionality based on client feedback. It is going through its journey of maturing as a product. So, I think that, yes, the GTM portion of it is not at the scale that we would have liked it, but it is in the right direction.

Bhavesh Choudhary

Okay. Can you share, like, any revenue which we collected in second half through CM Galaxy?

Dhaval Gupta

As I said on CM Galaxy, we don't have a separate breakup. It is part of agency business. That is the reason, I won't be able to share at this stage.

Bhavesh Choudhary

What is the vision for CM Galaxy over next two to three years? What kind of potential or scale are we giving for, with this product?

Dhaval Gupta

I think that's a great point. We will look at perhaps giving specific guidance and numbers as far as CM Galaxy is concerned. I had mentioned last time that in earlier years, for a product road map there are times when it's sort of building and scalability is an ongoing process. Till last year, it was on a very small base in terms of number of customers and the overall picture in our book. So, moving forward, we can provide separate guidance on it.

Bhavesh Choudhary

Okay. You also mentioned that more products are in the pipeline other than CM Galaxy. So, could you briefly share what is, like, other products, could these have been developed?

Dhaval Gupta

Sure. In terms of our publisher business, we run the AuxoAds where we monetize inventory for our customers. We have already built header bidding technology. We are looking at rolling it out more and more aggressively in the market.

We are also partnering with a company to set up ad serving, and that allows us a better position in terms of running programmatic campaign. So, AuxoAds is an area which we are looking at adding more data analytics, and AI functionality so that, aside from just monetization part, we can enable publishers with various other aspects of the challenges which they face. This is an area which we are looking for investing.

Bhavesh Choudhary

Okay. Are you developing any other product on advertisement side?

Dhaval Gupta

Yes. On advertisement side, the primary focus remains on CM Galaxy. We are putting more and more efforts behind it.

Bhavesh Choudhary

Okay. What is the potential of AuxoAds, like, is there any early market demand in respect of AuxoAds?

Dhaval Gupta

In the AuxoAds business or the publisher monetization business, there is upwards of around INR 20 crore business today. We are working with good quality publishers on this front. It is integrated solution plus services approach that we are looking at. Therefore, we are looking at how we can expand the AuxoAds business. We are working with publishers both in India, but more in fact, globally as well. So, we feel that there is a fair amount of opportunity to grow because video is growing very aggressively viz., video monetization, app monetization, and connected TV as well. So, AuxoAds would help to integrate across a lot of demand sources when it comes to helping publishers to monetize their inventory.

Bhavesh Choudhary

As you said that research and analytics business grew 100% last year-on-year. So, what is the number this year that compared to last year?

Dhaval Gupta

Bhavesh Jee, we usually don't provide a breakup of specific line items in terms of the breakup of analytics and research. I can share that it is approximately 10% of the overall business.

Bhavesh Choudhary

Last year, you said that we did 10% to 15%. Is this year also 10%?

Dhaval Gupta

This year, it would be about 10% of the overall business.

Bhaves Choudhary

Okay. How is the overall traction in the research and analytics business this year?

Dhaval Gupta

In the research and analytics business, we have very marquee names in the list of customers. We are working with such customers like HP, AWS, Cisco, etc. We're working with various Japanese clients also. The quality of customers at Qualcomm is another one major industry. So, we work very closely with major industry players there. We are looking at, being able to get into more and more large accounts, which not only is looking at research for India, but in fact, looking at consulting projects for Asia Pacific as well. In these cases, we do, often times, compete with the big four. There are various projects that we have delivered very successfully. So, there is a positive outlook on this business for future growth.

Bhaves Choudhary

Okay. How are you seeing the overall business shaping up this year? Like, are there any early signs of revival and improvement?

Dhaval Gupta

Absolutely. It is already underway. As I already mentioned, we have not been happy at all with the previous financial year's performance. We have been analyzing it and taking necessary decisions to make sure that we get back on the growth trajectory. We feel that there would be the trajectory growth. We are back on track and we should be definitely moving in the right direction as far as this financial year is concerned.

Bhaves Choudhary

Already, there is two months period of this financial year. So, how is the growth outlook of this two months?

Dhaval Gupta

Growth outlook is positive.

Bhaves Choudhary

Okay. In the last con-call, you mentioned that you would share some number in this next call. So, any update on this business?

Dhaval Gupta

In terms of other investments, we have looked at opportunities. We have been having various conversations. Having said that at the moment, I am not able to report any specific activity.

Bhavesh Choudhary

No. I'm not talking about numbers. I mean that business is going on. I think that it is picking up momentum or what.

Dhaval Gupta

Oh, specifically, you're suggesting for Appacus.

Bhavesh Choudhary

Yeah.

Dhaval Gupta

Yeah. Appacus as a startup in its early days. We have started building traction. We already, as an app, have integrated across multiple products or buyer side apps on ONDC. This includes apps like Paytm, MyStore, DigiHaat and many more like Bajaj Marketplace, Sahaj app, and so on and so forth. So, it's early days. This year, we will be looking at running more aggressive marketing as far as that is concerned and, as well as sort of adding more and more supply.

I want to mention that the TechBzar Team has now the largest SK, the highest number of SKUs on ONDC. They have more than 1,400 products listed on ONDC. We've a very good progress on it. From a numbers point of view, it's a start up. It's in early days. We feel good about the project.

Bhavesh Choudhary

In Appacus, are we maintaining inventory or is it a drop shipping type of business?

Dhaval Gupta

We are not currently maintaining inventory. It's a drop ship model.

Bhavesh Choudhary

Okay. Because these are strategic investments forward. So, could you please share how much equity you can actually hold in Appacus Private Limited?

Dhaval Gupta

Let me check this. Anoop, are you, on the call?

Anoop Singh

Yes. CMRSL holds 18.64% in Appacus Private Limited.

Bhavesh Choudhary

Okay. Got it.

Last year, the Company has guided for the total in revenues. Like, what we said, was later in the second half, we revised the estimates was around 80% growth. That is previous year's number. However, we did grow and close this year at 70% growth. So, what is the conservative point of view? What should investor expect this year?

Dhaval Gupta

Yeah. Bhavesh Jee, we don't give exact specific guidance in terms of forecast for a growth number. I will, however, maintain what we have mentioned in the past and that whatever is the digital marketing or digital spend growth rate. We will grow faster than industry. I know this last year, we have not achieved that, but we will aim to beat the market each quarter.

Bhavesh Choudhary

Okay. Are you seeing any growth rate revival, this year right now? Are you seeing any growth rate revival in international market?

Dhaval Gupta

Yes. As I mentioned, the start of the year is positive. I also want to mention that in the three years from FY 2021 to FY 2024, we did grow at a compounded annual growth rate of over 40%. Ideally, that is the target growth rate, we are aiming for. The right guidance at this stage would be that we are beating the market growth.

Bhavesh Choudhary

In the last call, some investors asked you questions. You said that you are finding it very attractive, like, stock price finding you very attractive at INR 105, INR 110 level. However, currently, the stock is trading around INR 73.5 with a market cap of around INR 21.52 crores. Are the promoters considering a buyback at these solutions?

Dhaval Gupta

Yeah. I would repeat what I mentioned firstly that as a Company we did about INR 75 to INR 76 crores. We think that the valuation of the Company is very attractive. We are exploring various options. Again, I don't have any specific announcement for you, but this is something that if you see historically, the promoter has looked at this and in fact exercised this option in the past. We are assessing this.

Bhavesh Choudhary

Okay. In the last calls, you mentioned that the Company was in talks for potential acquisitions. Could you share what came out of the discussion? Are we currently exercising any acquisition opportunity?

Dhaval Gupta

I have mentioned this earlier in the call. We are proactively looking at acquiring certain targets, and we have had those conversations. We have been looking at different kinds of opportunity. Right now, I wouldn't be able to share anything specific.

Bhavesh Choudhary

Okay. In our balance sheet, do we have much amounts to acquire from businesses?

Dhaval Gupta

Right. We want to be very judicious about in terms of what is the right fit, and what is the right valuation. We are able to do a deal confidently. This is a challenge. That's why we will not rush into any decisions on that front.

Bhavesh Choudhary

Okay. My last question is, this year, the Company declared a dividend at INR 2 per share. Every year, we are declaring like it. So, instead of distributing this, why do not we consider reinvesting it back into the business purpose? Or does this imply we currently do not have any meaningful investment opportunities?

Dhaval Gupta

No. I think this is one of those questions which also comes the other way around from a lot of investors. If we don't announce, then there is a question that why don't you distribute certain share percentage of the profit? We want to maintain consistency at this stage. We also have been investing in the technology front. I think that it's important to remember because of which we would be able to register better profitability. We as an organization believe that it is an important part of the growth map of the Company in the future.

So, we will continue to do this. To answer your question, in terms of dividend, at this stage, we are happy to maintain a consistency on.

Bhavesh Choudhary

Okay. If that is the case, why not, we consider our buyback, especially when valuation are low and you have mentioned that stock is attractive. So, why we are not, do buyback?

Dhaval Gupta

No. Again, as I mentioned, we are exploring options. We are open to all options and that is we are certainly looking at.

Moderator

The next question comes from Mr. Parth Chawda an Individual Investor. Please go ahead, sir.

Parth Chawda

First of all, I appreciate your consistency in maintaining the corporate governance, continuing your con-call and publishing reports. I do have a few questions regarding the Company. First, what is your current headcount?

Dhaval Gupta

The Company's current headcount is 83 people. But, in terms of filling up vacancies and so on, we would be somewhere between 85 to 90 during the year.

Parth Chawda

Okay. So far from, and since you are doing good on the corporate governance part, just one feedback, your website has been not always updated. It still shows in investor section. It still shows the report of FY22 and FY23, and presentation also. I guess you have stopped making the presentation about the results.

Dhaval Gupta

The presentations were not circulated till previous quarter. I sincerely apologize if it is not updated on the website, but we will do that, and for this quarter also. But, yes, the investor presentation will be updated and available on the website.

Parth Chawda

Okay. One another thing is that there's a very high table in your books. Is there any particular reason? Is the service you are providing kind of commoditized where you can get a good margin and, payables are very high?

Dhaval Gupta

On high payables and high receivables, there will be fairly incongruence with one another. I don't think that there would be anything that should be standing out there. Is there anything specific that you would be referring to?

Parth Chawda

No. Not the exact number, but the kind of consistency in your margins. I feel that your service you are providing, is the kind of commoditized on which you can't get a good margin. It means that because your customer has more power on your bargaining power and this bargaining power on the Company.

Dhaval Gupta

I understand your question. When it comes to digital advertising and when we work with major platforms like Google, Meta and LinkedIn. This past year, we also established a credit line with LinkedIn. As you know, we are expecting to pick up our LinkedIn business as well. But coming back to your question, particularly in India, the margin that typically advertisers give, is in a single digit. It is a very competitive and fragmented market. As far as our advertising business is concerned, there are agencies of different shapes and sizes that typically work on a single digit margin.

As far as our publisher monetization business is concerned, we will typically see margins between 12% to 14% thereon. This is where there is more margin for us. Lastly, when we talk about our market research business, it typically operates at somewhere between 30% to 35% margin.

We're not sort of just dependent on one single revenue stream. As a Company, we have multiple businesses and revenue streams. We are definitely looking at how we can add more and more margins to the business so that we can increase profitability. This is where the investment in technology also comes into the picture.

We firmly believe that by creating the roadmap of the Company, we will be able to transition from more services-oriented margins which are of lower margins, towards higher margins. That's the direction we are going in.

Parth Chawda

Okay. Just regarding the same margin, how different is our business since April. We assume that April was a competitor during early calls, but consistently, Apple is making higher two-digit margins on twenties, but we can't even touch two digits, like, early teens as well. Is there a very different kind of business between Apple and us, or are we on very early stage of going to the same line?

Dhaval Gupta

We are definitely at an earlier stage of moving towards that direction. I think one of the differences is that there may be a different level of maturity when it comes to the products and the technology. That is exactly the direction we feel that we are moving towards in terms of bringing in more profitability and more better margins as far as our business is concerned.

I want to mention that Apple operates as an agency. Again, to that point, we do have a market research consulting business. We do have a publisher monetization business. I would say that in terms of looking at it as an ecosystem and the stakeholders in the ecosystem, we are probably connecting with more points in the ecosystem.

Parth Chawda

Is it not beneficial to connect with less point and be more profitable?

Dhaval Gupta

I think that if we are moving towards the technology portion and transitioning towards more and more high margin revenue, then that is actually the end goal. It doesn't irrespective of, if we have all the three opportunities or only looking at agency.

Parth Chawda

Okay. Since our investments have been very high on technology, as you mentioned in the previous call. One reason for low margins is because you are continuously investing in technology. I just want to ask, are we considering more investments in building teams? Do we have anything where we can grow much faster with better teams? Do you feel the need to hire more at the upper management level, specifically, in sales or marketing?

Dhaval Gupta

Yes. We have already been doing that. I would say that in the previous financial year, we have started such exercise and cycle. We will be looking at expanding teams, bringing in more senior people and that will also be in line with the growth in terms of clients we onboard.

Parth Chawda

Okay. Any kind of guidance that you can give for the financial year or quarterly? Like, last time you mentioned INR 100 crores, but we couldn't touch therewith. Do you expect this financial year FY26 will be better than FY25?

Dhaval Gupta

Yes. The current financial year will be better than the previous financial year. But in terms of guidance, like I said earlier, we don't give sort of projections and forecasts. Like I mentioned that we will be looking at growing faster than the industry growth rate.

Moderator

The next question is from Rishabh Jain, an Individual Investor. Please go ahead, sir.

Rishabh Jain

I wanted to ask that what are the challenges we are currently facing in distributing the CMGalaxy product? Basically, question is that since you are a small team and a small company, we should be able to ideally ship products very fast, but we have been, like, since it's last quarter to quarter back. We've been saying that we are trying to get this product out. Now we are saying that we're still working on the tech side. So, what are the exact challenges and what are the customer requirements that we are looking and we have not been able to fulfill, but we are looking to fulfill going forward?

Dhaval Gupta

Thank you for the question on CMGalaxy. As we rolled out the product into the market and onboarded customers, we received a fair amount of positive feedback, but also feedback required us to further add enhancements in the product. This would be related to AI, specific client customization, third party integrations. So, we have been delivering thereon and sort of adding effectively more functionality as far as this is concerned.

On the technology side, as a result, it has also allowed us to make sure that we have an opportunity to fine tune our GTM strategy. We are looking at sort of adding more resources to focus a lot in terms of pure SaaS sales, that can drive products like CMGalaxy in the market. Incidentally, I would be very happy to carry out a demo on the product for our investors. We can invite some of the investors on today's call or otherwise to talk about how we can show them how we are building up the product.

We have been showcasing that's in the industry to people like Google, Meta. Again, we've got a very good sort of feedback that we are solving a major industry problem.

Rishabh Jain

Thank you. I think you have a better understanding of the industry and your experience will guide you in the right direction. But, having worked on similar B2B product it's not similar, but a B2B product. I think getting stuck in the new client requirements, generally, like, we are trying to moving the product according to client's requirements and then trying to pitch it to them. We make the product good to have or not must have. Like, if it's must have, they will automatically try to get it and use it. Right? But if they are saying that we need this particular feature or that particular feature, it means that they're just trying to be nice and they're trying to get something, but it's not really required. So, may be, I am not sure how many people are working on this project, but if you can actually identify that one of those few particular pin points and address them directly, then clients would be more willing to spend on that.

Dhaval Gupta

Certainly, your point is well taken. In fact, two important parts are there. The first is that the way our system has been built, it's a very mature and advanced way, and then customization on the platform is very easily doable. So, if we need what we haven't developed it in a manner where one size fits all. If for one customer, we need to adapt it and they need to see different data points and different graphs. That is very easy to achieve. So, that's the way we have architected the system and that's one point.

The second aspect there is that, sorry. I lost my train of thought. The architecture part was one. It'll just sorry. I just lost my train of thought. Then, No. It's all good. But maybe let's continue, and it'll come back to me.

Rishabh Jain

I have a second question. I wanted to know more about the talent that you are hiring currently because on the LinkedIn, I think that not much is updated and the ones that are updated, they are very few about CMRSL. So, what kind of talent are we hiring for the upcoming products? Which colleges are they looking for later hirings and seniors?

Dhaval Gupta

I want to mention that we have a strong talent pool at senior as well as mid management level. In terms of new talent acquisition, we are looking at significantly improving on the technology front and the resources that we have on data. The overall caliber and the quality and the processes that govern, for example, the tech team are at a fairly advanced stage. We are using Jira. The whole team is using a combination of AWS with CICD pipelines integrated with BigBucket.

We have a fairly advanced setup as far as that is concerned. Therefore, what we are doing is that we are bringing in sort of level of industry experts who have global experience. They have worked on international products or they have worked on international markets. That is the caliber of people we are bringing in on the technology front.

Even on the sales front we are looking at expanding the team this year. We are deploying various systems and processes there to increase sort of our earnings predictability. These are the things we are working on.

Rishabh Jain

Oh, I am sorry to point it out, but the technologies that you mentioned, Jira, BigBucket, etc. all of them are college students who work in group projects, use them.

Dhaval Gupta

I think that it will be good, if we do a call offline so that we can actually show you in detail what we are working on the products. We have much detailed conversation about the technology and how we set it up.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on the telephone keypad. I repeat, if you have any questions, please press * and 1 on the telephone keypad.

We have a follow-up question from Parth Chawda an Individual Investor. Please go ahead, sir.

Parth Chawda

I am just asking that are you an investor with Stage OTT or just a mentor?

Dhaval Gupta

I am an investor as well as a mentor with Stage OTT. I am, in fact, their first investor.

Parth Chawda

I have seen it. You have been with so many platforms. Do you think in any way is that an entrance to being a growth in this company? You have other platforms as well to manage. Do you think you are highly efficient in this?

Dhaval Gupta

No. Mr. Parth, my involvement, and my day job is very much focus on CyberMedia. The projects we have spoken about today, including CMGalaxy, AuxoAds, consulting business, etc. are absolutely my focus areas. For the Stage OTT, I would be spending not more than two or three hours in a quarter.

Parth Chawda

Okay. The Stage Media has been fantastic. Do you think they believe that you can do the same with CyberMedia as well?

Dhaval Gupta

No, 100%. We believe and feel that we are on the trajectory. There, the team works with them closely. I understand what you're talking about. That's the reason we are also talking about technology a lot in today's call and in past calls also. We feel that it is critical to take the Company to 10x from where it is today.

Parth Chawda

Just like you mentioned that there, the team is very good. I sincerely feel that you have a very good team right now as well. I have no doubt about it. But bringing someone like them also can really boost your performance in this Company as well.

Dhaval Gupta

Absolutely, and thank you for your kind words. Yes, I've mentored them. But my daily focus and a lot of my energy is in building the products. So, I'm happy to also talk about not only the technology part of it, but the industry trends in terms of how our industry is shaping up and then growing.

Parth Chawda

The good part was that you mentioned about you would be showing the demo of your product. We'll would really appreciate if in this quarter we would manage some call specifically for products.

Dhaval Gupta

Sure. I will request Anoop Singh, our Group Compliance Officer to reach out to investors and schedule such a call. I'm very happy to share a demo. If, in fact, there are marketing oriented companies that are looking at marketing effectively, I would appreciate if you could put us in touch with them. We would love to show CMGalaxy to them also and let see how we can collaborate with them.

Parth Chawda

Sure. Since, you're spending so much energy in your company, we hope to see better future for this Company. Best of luck.

Moderator

Ladies and gentlemen, if you have any questions, please press * and 1 on the telephone keypad. We have a follow-up question from Bhavesh Choudhary from Wealth Vichar. Please go ahead, sir.

Bhavesh Choudhary

In CMGalaxy, we have lots of computers, easy insights and all. How have we been placed with Indian and international competitors?

Dhaval Gupta

No. There are extremely few you know. There aren't too many competitors to CMGalaxy. It is at the heart of sort of what's the problem we are trying to solve. I can spend a couple of minutes quickly talking about the value proposition. You know that when we manage well, let's say we manage digital marketing for any particular client. There are multiple platforms including Google, LinkedIn, Meta, and so on.

Now the first challenge that comes is that managing the data across all these platforms can be a very time-consuming manual activity because the metrics these platforms deliver are

independent and individual. So, there are a lot of tools in the market that are able to sort of try and do some sort of simulation and provide reports. However, the real challenge comes when somebody clicks on an ad and arrives on your website, what is the behavior? What is their engagement? What is their profile? That is where the marketing data starts to break.

The Google Analytics which often is used by companies, is not sufficient in being able to address that challenge. It doesn't map effectively like Meta, LinkedIn. Even, Google AdWords depends on the campaign structure of how it is mapped effectively. So automatically, the challenge comes is that where is what is the truth behind my marketing data, and where is the real performance coming from? Let me give you a simple example. Most agencies out there will optimize for CTR. They will say, okay. This is where my click through rate is high, and this is a good performing campaign.

By mapping the data we have all the way through the sales data where we have often seen that there is, not necessarily, the high click ads that are performing the best. But often times, there could be ads with lower CTR, but resulting better conversion. So, this level of full attribution and data alignment is that is not being done by too many sorts of competitors out there. Again, I would be happy to cover this in a more detail, when we do the demo.

So, as platforms go, we map the industry very closely. We have done a lot of tracking in terms of potential competitors there. I'm not saying there are no competitors. There are competitors, but it's a very small club that is solving this major industry problem.

Bhavesh Choudhary

Who is doing performance marketing above 1 crore a year? In D2C and, like whichever industry is there. So, that is our potential place in CMGalaxy.

Dhaval Gupta

Absolutely. The potential customer is there. Their data mapping is not done at an advanced level.

Bhavesh Choudhary

Okay. But, if you see, this type of customers are in lakhs in the world. So, if we take little penny, we can have a very good market. So, we are lagging back.

Dhaval Gupta

As you know that we spoke about it earlier that in terms of the sales and marketing part, we are looking at ramping up, but we are also working in parallel in improving the AI capability and improving functional various levels of functionality. So, it's part of the product journey as it moves towards the higher maturity.

Moderator

We have a question from Hardik Nayyar an Individual Investor. Please go ahead, sir.

Hardik Nayyar

Sir, we usually have high debt as well as payable days. It has consistently been rising over the past two-three years. Can you explain why?

Dhaval Gupta

Sir. Our debtors and payables are in line with our monthly and quarterly cycle. There should be no special sort of numbers on that.

Hardik Nayyar

Is there any specific number that you are referring to, is raising any concern? Usually, it has been a rising trend in March 2022. There was 61.9 then 78.92. Now in March 2024, 102 days, they have been rising. Is there a liquidity problem in the industry or so on, or it is usually the case in this industry?

Dhaval Gupta

Not at all. In our case, in fact, we have been collecting fairly well. We don't have any liquidity challenge.

Hardik Nayyar

Not in the company. I was talking about the industry generally. Is it an industry where they are high?

Dhaval Gupta

In the industry, there are challenges which results in delays. We have very good processes ensuring that we are taking necessary action on collections and any overdue. At the moment, we have been collecting very effectively. This is what we will continue to keep an eye on as far as CMRSL is concerned.

Hardik Nayyar

Okay, sir. There is a loan of INR 9 crores or something to the Parent Company on the asset side in the balance sheet. Can you explain that?

Dhaval Gupta

Right. I'm requesting our Chairman, Mr. Pradeep Gupta to just step in and answer this query.

Pradeep Gupta

Hello, this is Pradeep Gupta. I think that this question came up in the last investor call also and the one before that also, and we have answered that. So, this was an advance which was given by CMRSL to the Parent Company to take 50% stake in the building that is there. And then later on, we decided that instead of doing that, we would not take the stake, but we would essentially use the capital and because we wanted to invest in terms of growth. Therefore, the loan is being paid back.

It is on an arm's length relationship. There's an interest which the Parent Company is paying to CMRSL, and it is going on as per the loan agreement about which required disclosures were made to the stock exchanges in due course.

Hardik Nayyar

Sir, our Parent Company is going through a bit of stress. Will that have an impact on CMRSL?

Pradeep Gupta

The Parent Company is going through a certain step which is there. You're right. But we are, therefore, doing some financial restructuring there through rights issue of equity shares upto an amount not exceeding INR 10 crore. We have made required disclosures and submissions to the stock exchanges viz., NSE and BSE, and the relevant documents are also available on the website of the Parent Company. We are working on the entire thing and taking necessary steps in respect thereof.

Hardik Nayyar

Okay sir. It means that CMRSL would not be having any kind of impact because of any problem.

Pradeep Gupta

Absolutely not. This is the categorical statement that I'm making that no cash flow stress of the Parent Company will come on the subsidiary, CMRSL.

Hardik Nayyar

Okay. Sir, one last question. Usually, our Q3 and Q4 are much better than Q1 and Q2. But this time around Q4, there has been a decline in revenue as well as our margins are facing a bit of work. Actually, I joined the call later, so if you could please explain why this is the case?

Dhaval Gupta

Sure. This is a good observation. H2 compared to H1 was grew by 10%. I think that it actually reflects on the first half of the year for CMRSL, which was lower performance quarter. Like, we mentioned earlier in the call, we are looking at continuing the growth for this financial year as well. We started on a positive note and looking at carrying that, forward for the rest of the year as well.

Hardik Nayyar

Can you explain why there is so much contraction in the margin? As in March, not even before, the margin was around 12%, but now the operating margin is around 3.05%.

Dhaval Gupta

After 3 years of heavy growth that we had in the business, this year also, we had planned for a strong growth. Therefore, we had invested in manpower and so on, and that is why you will find that the employee related expenses have gone up. Since, it did not result into the

anticipated growth, which was there. You are right. It has created the additional pressure as far as the EBITDA and the PAT of the Company is concerned.

Hardik Nayyar

You see this as an investment in the future. We are hiring employees so that we can grow more aggressively. Right?

Dhaval Gupta

Absolutely. If you are at 100 and if you plan it 110 and you end up doing 90, then, obviously, there will be a check on the bottom line. This is the kind of a thing that has happened.

Hardik Nayyar

Sir, can you explain that this quarter, how are we forcing the future? What are the trends going on? Will next quarter be better in some kind of guidance that you can provide?

Dhaval Gupta

Yeah. I will go through here. Like, we were mentioning earlier that we have started this year on a positive note. We are not sharing any forecasts like we have maintained in the past.

Moderator

Thank you, sir. There are no further questions. Now, I hand over the floor to the Managing Director, Mr. Dhaval Gupta for closing comments.

Dhaval Gupta

Thanks to all the investors who have participated in today's call, and spent your invaluable time. I think we had lots of questions which covered a lot of ground in detail. I hope we were able to convey the road map, and also the fact that we are obviously not satisfied with the performance from this previous financial year. We are very proactively looking at turning things back towards growth, and we have started the year on a positive note.

So, with that all, I would once again like to thank everyone for their time and continued support and very good evening to all of you.

Moderator

Thank you so much, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you, and have a pleasant evening.