ing in-house capabilities and opti-

mising cost efficiency. This trend

reflects a broader industry re-

push for improved profitability,"

In FY24, subcontracting costs hit

their lowest levels in years: TCS at

FY16), Infosys at 7.70% (lowest since

FY21), Wipro at 11.50% (lowest since

Subcontracting costs and employee

expenses are shown as two different

line items in financial statements.

This is because salary is generally

considered as a fixed overhead while

subcontractors are billed on an hour-

ly basis and do not feature in the com-

Companies are driving initia-

tives around reducing contractors,

consolidation of contracting ven-

dors, and tightening approvals for

contract versus employee hiring

"Subcon (subcontracting) is gener-

normally come at a premium. We ex-

pect SPs (service providers) to con-

tinue to sharply focus on this cost to

drive better margin," said Yugal

Joshi, partner at research firm Ever-

est Group. "Subcon is margin dilu-

tive and most SPs, given lack of

growth, are focusing extensively on margin management. However, they

also realise there is a limit to this re-

duction. Moreover, most of these SPs

continue to build their nearshore

and onshore presence that may fur-

ther reduce subcon costs," he added.

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decisions, analysts said.

company data.

pany's payroll.

tech

ET Ecommerce Index

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ET Ecommerce Tracker

Returns Comparison (%)

ET Ecommerce Non-Profitable Index

1 Day 1 Month 3 Months 6 Months

Tweet of the day

JEN ABEL

@JJEN_ABEL

startup founders:

the bigger the logo

they are coming

from, the easier

their existing job -

brand/marketing

did all the hard

work putting that

type of sales rep

into early-stage

motion will be

painful for them

and triple pain for

you

Clearview AI

Fined €30.5m

by Dutch Govt

THE HAGUE: Dutch author-

ities fined US facial recog-

€30.5 million on Tuesday

for "illegally" creating a da-

tabase with billions of pho-

tos of faces, which they

called a "massive" rights

breach. In addition to the

penalty, the equivalent of

Data Protection Authority

\$33.7 million, the Dutch

(AP) banned the use of

Clearview in the Nether-

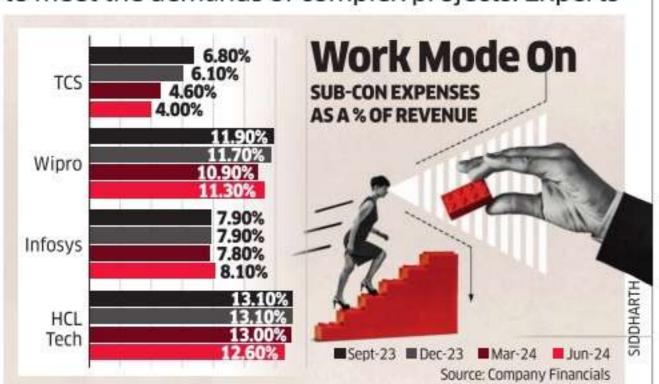
nition firm Clearview AI

Tech Buzz

ET Ecommerce Profitable Index

Margin Focus Pushes Indian IT Firms Away from Subcontractors

Cos count on internal talent, upskilling and GenAl to meet the demands of complex projects: Experts



Beena Parmar

Bengaluru: India's leading IT com- sponse to market dynamics and a panies have slashed their subcontracting costs—or, spending on highcost temporary workforce - to multi-year lows, driven by increased focus on margins, cost optimisation, 6.20% of its revenue (the lowest since and enhancing internal capabilities.

Over the past 12-18 months, as growth in the \$250-billion software FY16), and Tech Mahindra at 12.60% services industry slowed, players (lowest since FY19), according to like Tata Consultancy Services (TCS), Infosys, HCLTech, Wipro, and Tech Mahindra have been scaling back low-margin subcontracting, or the practice of employing temporary workers at high costs.

Instead, they are focusing on upskilling existing employees, improving billable utilisation, and leveraging generative AI (GenAI) to meet the demands of increasingly complex projects, industry analysts said. "Recent analysis shows a strategic shift in managing subcontractor expenses among large IT services firms," said Krishna Vij, business head - IT staffing at ally done to access niche skills that recruitment firm TeamLease Digital. "Many companies have reduced these expenses in recent quarters, focusing on strengthen-

KRISHNA VIJ Biz head - IT staffing, Teamlease



flects a broader industry response to market dynamics and a push

for improved profitability

India Inc Gets Gender Mix Right in Temp Hires for Festive Season

Slew of sectors actively giving mandates to onboard more temp women workers in peak season

Sreeradha Basu & Brinda Sarkar

Bengaluru: India Inc's big gender diversity push is increasingly getting extended to temporary hiring during peak periods such as the festive season.

Ecommerce, logistics, retail, hospitality, manufacturing, consumer durables, banking, financial services and insurance (BFSI) are among a slew of sectors actively giving mandates to onboard more temporary women workers to fill in a festive season-induced hiring boom, said staffing firms such as Quess, Randstad, Adecco, CIEL HR Services and TeamLease Services.

Diversity hires have surged 15-35%, even more in sectors such as ecommerce and retail where the rise is nearly twofold.

Women workers have comparatively lower attrition and absenteeism rates, contributing to higher productivity during the festive season, said Manu Saigal, directorgeneral staffing, Adecco India. At the workforce solutions company, these factors have led to a 35% in-

YESHAB GIRI chief commercial officer, operational talent solutions. Randstad India



Many warehouse roles that were traditionally accessible

only to men are now open to women, to leverage the unique strengths they offer

season, say staffing firms WHY? Focus on inclusivity; gender diversity BENEFITS Lower attrition and absenteeism rates Contributing to higher productivity during festivals SECTORS AT THE FORE Ecommerce, logistics, retail, hospitality, mobile and electronic manufacturing, BFSI TEMP ROLES IN DEMAND Sales associates, customer service representatives, warehouse executives, shop floor operators, hospitality staff, telesales and business

crease in diversity hiring compared to 19% last year, she said. Increased hiring of temporary women workers is primarily led by multinationals with well-defined di-

RIGHT TURN

versity and inclusion policies and initiatives. However, companies in sectors with a reputation for gender equality such as electronics manufacturing, technology, e-commerce, retail, FMCG, logistics, tourism, hospitality, and aviation besides individual firms with a strong focus on so-

Firms across sectors looking

to onboard more women

temp workers this festive



development

prioritise such inclusive practices, Saigal added.

At Quess Staffing, mobile and electronics makers are leading the gender diversity charge. Nitin Dave, chief executive officer, said some cial responsibility are more likely to companies that depend on assembly

line operators are hiring 100% women while automotive sector firms are aiming for at least 30% gender diversity. The retail segment has set hiring benchmarks for women in shop promoter roles at around 40%. Ecommerce firms are hiring 60% females for night shifts, showcasing a concerted effort to encourage female participation in the workforce.

ROLES IN DEMAND

Women workers are mainly hired for roles such as sales associate, customer service representative, warehousing, in-store promoter, shop floor, hospitality, telesales, credit card, personal finance, retail insurance sales and business development.

"Many warehouse roles that were traditionally accessible only to men-such as picking, packing, loading, unloading, and logistics operations-are now open to women, to leverage the unique strengths they offer," said Yeshab Giri, chief commercial officer, operational talent solutions at talent company Randstad India.

Balasubramanian A, senior vice president and business head, TeamLease Services said there is a sharp uptick in requests from companies to onboard more women for temporary roles, particularly during the festive season.

This year, women are being placed in a wide range of temporary roles, especially in sectors like electronics component manufacturing (assembly line workers, packaging etc), retail (customer service, sales) and supply chain (logistics coordination, inventory management).

Flipkart Fashion Head Set to Join Angel One as CBO

To replace Prateek Mehta who has become a partner at US VC firm South Park Commons

Pratik Bhakta

Bengaluru: Mumbai-based stock broking company Angel One is set to appoint Arief Mohamad as its new chief business officer, two

papers at Flipkart, where he was heading the fashion vertical, the second person added.

According to his profile on social media platform Linkedin he has spent close to a decade at Flipkart, having joined the ecommerce ma-

Mohamad will be the replacement for Prateek Mehta, who was the chief business officer at Angel One till April 2024. Mehta, one of the cofounders at mutual fund dis-

Flipkart cofounder South Park Binny Bansal.

Commons recently entered into India in partnership with Flipkart cofounder Binny Bansal

Emailed queries to both Flipkart and Angel One went unanswered. Angel One, a stock

been on a transformation journey over the last few years and has been competing with new age tech brokers like Zerodha and Groww in terms of active customers.

As per latest numbers released

2024. - Agencies

lands. -AP

Pixel Watch 3 to Get Updates

for 3 Years

WASHINGTON: Google has

share of 5G smartphone

shipments in India in Q2

confirmed that Pixel Watch 3 will receive just three years of software support, mirroring policy applied to its predecessors. According to GSM Arena, this support duration contrasts with Google's seven-year software commitment for its Pixel 8 series and upcoming Pixel 9 lineup. The three-year software support window indicates a divergence in how Google addresses updates for its

Glas Trust Dropped from Byju's Insolvency Panel

Our Bureau

New Delhi: The insolvency resolution professional (IRP) for Think & Learn Pvt Ltd, the parent company of Byju's, has removed Glas Trust Co that represents a group of the edtech firm's US lenders from its committee of creditors (CoC).

IRP Pankaj Srivastava removed Glas Trust after concluding that it does not represent the minimum 51% of lenders in the consortium that provided a \$1.2 billion term loan to Byju's, sources aware of the matter said. According to a Times of India report, Glas Trust on Tuesday moved the Bengaluru bench of the National Company Law Tribunal, seeking to remove Srivastava as the IRP. The matter will be heard on Wednesday. Meanwhile, the CoC held its first

meeting on Tuesday. The US lenders had accused Byju's billion without any legitimate reafounder Byju Raveendran of diverting more than \$500 million from the \$1.2 billion they had lent. They had filed a bankruptcy case against the company's American subsidiary, term loan lenders said.

Byju's Alpha, in the US. lenders represented by Glas Trust, not be permitted to prevail and will citing its right under the credit ensure that such blatant mistreatagreement to exclude predatory lenders focused on distressed debt, the spokesperson added.

the sources said.

Glas Trust no longer meets the required threshold to pursue its claims against Byju's due to lender disqualifications, a person in the know said. "The obligation of the parent company to repay the loan as a guarantor would only arise upon a legitimate acceleration, which has not yet been established," the person added. "Mr Pankaj Srivastava's actions



Removal after failing to meet reg-

and entirely illegitimate as no interim resolution professional in the history the Insolvency Bankruptcy Code of India has ever attempted to un-

are unprecedented

lawfully strip finanuired lender cial creditors of threshold claims of this magnitude amounting to more than \$1.35 son and in doing so securing his appointment as the permanent resolution professional," a spokesperson

"The term loan lenders are hope-Byju's disqualified most of the ful that this wrongful conduct will ment does not go unchallenged,"

for the steering committee of the

Murali Swaminathan as Chief Tech Officer Our Bureau

Freshworks Appoints

New Delhi: Nasdaq-listed software-as-a-service (SaaS) major Freshworks has appointed Murali Swaminathan as its chief technology officer (CTO), the firm said in a statement on Tuesday. Swaminathan will oversee

Freshwork's technology roadmap and strategy, spearheading the company's global engineering and architecture teams. He joins from ServiceNow,

where, as vice-president of engineering, he developed the modern tion and delivering exceptional application architecture for the company's IT service management and strategic portfolio management products. Before Service-Now, Swaminathan was vice-president of engineering at Recommind, now part of OpenText.

"It's an incredible time to be join the executive management joining this team as we grow to become a multi-billion-dollar software company," he said. "Our talented global engineering and architecture teams are pivotal to meeting this goal and I look forward to working with them to continue driving innova- ment," said Woodside.



AT THE WHEEL

Swaminathan to oversee SaaS co's tech roadmap and strategy

products that meet the evolving needs of our customers." This role aligns with the compa-

ny's commitment to investing in talent and resources to enhance employee and customer experience solutions. Swaminathan will team and report directly to chief executive and president Dennis Woodside. "Murali's experience aligns exceptionally well with our commitment to deliver products that provide rapid impact and real returns on AI invest-

people in the know said. Mohamad has already put in his

jor back in September 2015.

tribution startup Scripbox has now assumed the role of a partner at South Park Commons, the Silicon Valley-based venture investor. South Park Commons recently entered into India in partnership with Groww and Zerodha.



broker founded by Dinesh Thakkar back in 1996 has

by the NSE, Angel One has close to 7 million active traders, third to

Infy Mails More Appointment Letters to Grads

Firm to issue appointment letters to everyone awaiting onboarding by Dec: Sources

Our Bureau

Bengaluru: Infosys on Tuesday issued more appointment letters to the remaining engineering graduates who have been awaiting onboarding for the last two years. The Bengaluru-based IT major the compa-

had on Monday sent more than 1,000 appointment letters to freshers it had promised to hire in 2022. People close to the development said Infosys is seeing a better demand environment and that it lier, they would send appointment letters to said

everyone who is waiting to onboard by December. With Infosys revising its revenue guidance upward to 3-4% for the full year against its earlier guidance of 1-3%.



Last week, Infosys chief executive month had filed a formal complaint against Infosys to the Ministry of La-Salil Parekh in an interview to PTI had said, "We changed some bour and Employment over the delayed onboarding and "ongoing exploitation and unprofessional treatment" of over 2,000 young engineering graduates.

Harpreet Singh Saluja, president at NITES, said most of the 2,000 young engineering graduates who were selected for SE have got their joining date, while around 350 graduates who were selected for DSE roles are still to get their joining dates. "We will keep a vigilant eye for the rest of them." he

smartwatch versus its smartphones. - Agencies

Still Haunted by its Chaotic Past, OpenAI is Now Trying to Grow Up

ChatGPT-maker is struggling to transform itself into a profit-driven company

Cade Metz and Mike Isaac

OpenAI, the often troubled standard-bearer of the tech industry's push into artificial intelligence, is making substantial changes to its management team, and even how it is organised, as it courts investments from some of the wealthiest companies in the world.

Over the past several months, OpenAI, the maker of the online chatbot ChatGPT, has hired a who's who of tech executives, disinformation experts and AI safety researchers. It has also added seven board members—including a four-star Army general who ran the National Security Agency while revamping efforts to ensure that its AI technologies do not

cause serious harm.

OpenAI is also in

talks with investors such as Microsoft, Apman, its CEO, into the background. ple, Nvidia and the investment firm Thrive for a deal that would value it at \$100 billion. And the company is considering changes to its corporate structure that would make it easier to attract investors. The startup, after years of public conflict between management and some of its top researchers, is trying to look more like a no-nonsense

company ready to lead the tech indus-

try's march into AI. OpenAI is also try-

ing to push last year's high-profile

fight over the management of Sam Alt-MOVING ON

It is also trying to push the fight over the management of Sam Altman into the background

But interviews with more than 20 current and former OpenAI employees and board members show that the transition has been difficult. Early employees continue to leave, even as new workers and new executives pour in. And rapid growth hasn't resolved a fundamental question of what OpenAI is supposed to be: Is it a cuttingedge AI lab created for the benefit of humanity, or an aspiring industry giant dedicated to profits?

Today, OpenAI has more than 1,700 employees, and 80% of them started after the release of ChatGPT in November 2022. Altman and other leaders have led the recruitment of executive hires, while the new chairman, Bret Taylor, a former Facebook executive, has overseen the expansion of the board, "While startups must naturally evolve and adapt as their impact grows, we recognise OpenAI is navigating this transformation at an unprecedented pace," Taylor said. - NYTNS

Rainmatter Invests ₹10cr Each in Boson Whitewater, TruNativ

Zerodha-backed fund has invested ₹30 cr in multiple firms in the past two months

Pratik Bhakta

Bengaluru: Water recycling startup Boson Whitewater and nutrition-focused brand TruNativ have each secured ₹10 crore in equity funding from Zerodha-backed early-stage venture firm Rainmatter.

Boson Whitewater helps treat excess sewerage treatment plant (STP) water into potable water, which can help solve the water scarcity problems in large cities like Bengaluru. TruNativ is a direct-to-consumer

(D2C) brand that sells nutritional products like Everyday Protein, Everyday Fibre, and Everyday Sweetener through its own website and ecommerce channels.

Rainmatter, which invests in startups across fintech, clean energy, climate tech and healthtech, has pumped in ₹30

crore into multiple companies in the last two months. These include follow-on rounds in health startup Devil's Circuit, climate-focused startup GreenWorms, and fintech startup Actlogica.

"Between 2016 and now, we have invested around ₹650 crore into a wide range of startups across sectors," said Dinesh Pai, head of Ra-

> "Out of (Zerodha cofounder and chief executive) Nithin Kamath's total commitment of ₹1,000 crore announced last year, around ₹150 crore has been deployed as of now," Pai said. Zerodha also runs a not-for-profit arm na-



DINESH PAI



Between 2016 and now, we have invested around ₹650 cr into a wide range

of startups across sectors

dation. Rainmatter also participated in the recently closed \$6.5-million funding round of space tech startup Galax-Eye. The fund has so far pumped in ₹5 crore into this startup across the first

and follow-up round. "We believe that geospatial data has a role to play to solve problems around, say, early warning for climate-related disasters and erratic weather patterns. GalaxEye is looking to solve that problem apart from several other use cases med Rainmatter Foun- in defence and agriculture," Pai said.