



- **IPO details:**

1. IPO date – 20.01.2025 to 22.01.2025.
2. Price band – Rs. 250 – Rs. 263.
3. BRLMs – Gyr Capital Advisors Private Limited.
4. Offer for sale of up to 32,20,000 equity shares of FV Rs. 10 each.
5. Fresh issue of up to 32,20,000 equity shares of FV Rs. 10 each.
6. Pre-issue capital consists of 2,12,06,990 equity shares of face value of Rs.10 each.
7. The object of IPO is:
  - i. Acquisition and strategic investment.
  - ii. Technical advancement of leading-edge technology up to Rs.17,82,00,000.
  - iii. Increase in spending on business developments up to Rs.15,00,00,000.
  - iv. Investment in US subsidiary to enhance working capital up to Rs.5,00,00,000.Above amounts to be used by FY25 & FY26.

- **About Capital Numbers Infotech:**

1. Company was started in 2012, till now it has been a completely bootstrapped business with no external investors, it has been growing yoy & has been profitable for each of the year since inception, there are no pending litigations.
2. Engaged in the business of digital consulting and digital engineering offering end-to-end software development solutions to enterprises, and start-ups worldwide.
3. Has more than 500 IT professionals and consultants to serve more than 250 active clients worldwide, delivering services from across locations of India.
4. Equipped with ISO:9001, ISO:27001, SOC 2 certifications.
5. Using technologies like React, Angular, .NET, Python, Node, PHP, Java, Selenium, Azure, Open AI API, Tensorflow, Ethereum etc.
6. Providing transformative digital solutions and enhancing the functionality of customer's existing and new software products.
7. Operates on 2 business model:
  - i. Project-based development: tailored solutions for defined goals (11% of the revenue).
  - ii. Time & material (different from traditional staffing arrangements) (89% of the revenue).



- 8. Service offerings:
  - i. Digital engineering:
    - a. Custom software development.
      - Bespoke solutions.
      - Enterprise systems.
      - Automation tools.
    - b. Web development.
      - Dynamic websites.
      - E commerce platforms.
      - Content management systems.
    - c. Mobile app development.
      - iOS & android apps.
      - App maintenance.
      - Cross platform solutions.
    - d. Quality assurance.
      - Auto testing.
      - Manual testing.
  - ii. Cloud engineering:
    - a. Cloud migration.
    - b. Cloud infrastructure management.
  - iii. Data engineering & analytics:
    - a. Data integration.
    - b. Data warehousing.
    - c. Data visualisation.
    - d. Predictive analysis.
  - iv. AI/ML/Gen AI:
    - a. AI driven analytics.
    - b. Machine learning solutions.
    - c. Gen AI apps.
  - v. Emerging technologies:
    - a. AR/VR.
    - b. Blockchain.
  - vi. UI/UX design:
    - a. UI design.
    - b. Prototyping & wireframing.
- 9. Office located in Kolkata.
- 10. Has a customer base of >250 customers globally.
- 11. Breakup of contribution from top customers:

<b>Particulars</b>	<b>FY25H1</b>	<b>FY24</b>
Top 10 customer contribution to revenue %	24	25
Top 5 customer contribution to revenue %	15	17



12. Promoters are – Mukul Gupta - aged 42, is the Promoter, Chairman, Managing Director, and CEO. He holds a certificate in Network Centred Computing from NIIT and has been recognized as a Microsoft Certified Professional. Additionally, he is certified as a Blockchain Expert by the Blockchain Council. With 20 years of experience in global operations, Mr. Gupta has been a driving force behind the company since its inception. Mr. Vipul Gupta, aged 39, is the Promoter and Director of company with 12 years of experience in financial management & strategy. Mrs. Herprit Gupta, aged 44, is the Promoter and Director of company. She has 8 years of working experience at Citibank. Since joining the company, she has been overseeing the human resources department.
  13. Top management includes Mukul Gupta – Chairman, MD and CEO; Vikas Sethia - Independent Director; Shounak Mitra – Independent Director with more than 14 years of experience, his expertise lies in commercial and intellectual property litigation; Mr. Anindya Mukherjee - Director of Operations; Mr. Pushpal Mazumder is the Chief Technology Officer; Mr. Sanket Harlalka is the Chief Financial Officer; Ms. Priya Jhunjhunwala is the Company Secretary and Compliance Officer.
  14. Closest listed peers are Info Beans Technologies Ltd. & Silver Touch Technologies Limited.
- **Outlook:**
    1. Worldwide IT spending is expected to increase. IT services have become the largest segment and are expected to grow largely due to enterprises investing in organizational efficiency and optimization projects. While GenAI will change everything, it won't impact IT spending significantly, similar to IoT, blockchain and other big trends.
    2. In India, the overall spending on IT is estimated to record a double-digit growth. Indian businesses are looking to partner with external providers in areas such as AI, industry cloud, security and data analytics. The spending numbers will be led by spending in the software, IT services, and devices sector.
    3. India is viewed by the rest of the world as having one of the largest internet user bases and the cheapest internet rates. India is one of the countries with the quickest pace of digital adoption. This was accomplished through a mix of government action, commercial innovation and investment and new digital applications that are already improving and permeating a variety of activities and different forms of work, thus having a positive impact on the daily lives of citizens.
    4. India's IT industry is likely to hit the US \$ 350 billion mark by 2026 and contribute 10% towards the country's GDP.
    5. India is expected to have nine times more digitally skilled workers by 2025. This indicates that a total of ~3.9 billion digital skill trainings are expected by 2025.
    6. India's technology industry is on track to double its revenue to US \$ 500 billion by 2030.
    7. Service exports from India have the potential to reach US \$ 1 trillion by 2030.
    8. India's digital economy is estimated to reach US \$ 1 trillion by 2025. AI is expected to boost India's annual growth rate by 1.3% by 2035
    9. The company has developed long standing relationships with customers & continue to develop better solutions and new products for industry sectors which are significantly untapped. Also seeks to support a greater portion of the full product development life-cycle of customers by offering targeted services for each phase of the software product life cycle. Also plans to assist customers as they deploy their products to end-users through consulting and professional services. In addition, it intends to continue to build relationships with various global companies which introduce them to local clients.



10. Aims to strengthen existing partnerships and enter into new partnerships with independent software vendors. It has appointed a Head of Channel Partnerships to spearhead its efforts in expanding channel sales through strategic partner collaborations. Planning to open more development centres in multiple cities across India. Has also launched a sales office in Netherlands which will allow the company to gradually increase its presence in Europe. To support its European expansion, it has also appointed a client service director for EU operations.
11. Opening local offices abroad will help in moving beyond the limitations of an offshore player & it can charge higher rates & improve profitability.
12. Key threats to the business are complete dependence on exports and lateral recruitments & intense competition.
13. It is also looking at M&A opportunities to expand.
14. Progress since filing of DRHP – creation of development centre in Gurgaon, expansion of sales team & hiring of sales director in EU, India & Global, expansion in ME, significant clients onboarded (one of largest cinema chains, commercial vehicle manufacturer & newspaper), successfully secured several key contracts as a newly accredited Salesforce partner.
15. Revenue growth in the past was driven by Covid 19 impact, continued growth in United States, continuous increase in marketing spending, introducing new services, adoption of new technology, impact of disturbance in Europe, exploration of the UK market. Revenue CAGR in last few years has been ~24%. Revenue growth reduced significantly in FY24 yoy at 7% vs 34% in previous year due to post Covid hiring freeze in the US & reduction in client expansion plans in the US due to reduced venture funding activities which fund the expansion plans. US demand is now coming back, in next 12-15 months, company expects 24% growth rate to come back.
16. Good expansion opportunities in ME, company pursuing those also.
17. ROCE to be maintained at same level in future. It was 51% for FY24. EBITDA & PAT margins to remain at current level of 37% & 27%. To remain debt free going ahead.
18. Key threats from geo political conflicts & unforeseen tech disruptions. Company has roadmap for next 3 years to expand in the US, UK, EU & ME. Also created a separate team for India. It is also continuously screening the horizon for tech changes.
19. Target to add 150-200 employees per year & 10 system integrator partners like Salesforce per year. Looking for M&A opportunities for that.
20. US competition mainly coming from unlisted EU & Indian companies.
21. Trump & Elon Musk both expected to support Indian tech talent as both dependent on them.

**22. Financial KPIs:**

<b>Particulars</b>	<b>FY25H1</b>	<b>FY24</b>	<b>FY23</b>
Revenue (Rs. in lakh)	5,164	10,038	9,298
EBITDA (Rs. in lakh)	1,884	3,644	2,532
EBITDA%	36	36	27
PAT (Rs. in lakh)	1,367	2,598	1,735
PAT%	26	26	18
EPS (Rs.)	6.45	12.25	8.17
Equity share capital (Rs. in lakh)	2,120.70	2,120.70	10.84
Borrowings (Rs. in lakh)	0	0	107
Net worth (Rs. in lakh)	8,113	6,744	5,995
NAV (Rs.)	38.26	31.80	28.92
RONW%	16.89	38.62	29.10
ROCE%	22.42	51.90	38.85
D/E	0	0	0.02
Current ratio	11.77	18.16	9.26

**23. Revenue breakup industrial vertical wise%:**

<b>Particulars</b>	<b>FY25H1</b>	<b>FY24</b>
Professional services	28	29
Platforms & software products	21	23
BFSI	15	14
Healthcare	8	6
Others	28	26

**24. Revenue breakup geography wise%:**

<b>Particulars</b>	<b>FY25H1</b>	<b>FY24</b>
US	50	48
UK	19	23
RoW	30	27

**25. Financial projections:**

<b>Particulars</b>	<b>FY25H2</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Revenue (Rs. in lakh)	6,335	11,500	13,225	16,531
EBITDA (Rs. in lakh)	2,255	4,140	4,761	5,951
EBITDA%	36	36	36	36
PAT (Rs. in lakh)	1,631	2,998	3,474	4,377
PAT%	26	26	26	26
EPS (Rs.)	5.90	10.84	12.57	15.83

**Note:** IPO priced at 24.25 times of FY25 expected EPS.

Industry peer group average PE ratio is 50.05



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