

Rating : Subscribe for Long Term

Issue Offer

Fresh Issue of 32,20,000 Equity shares aggregating up to INR 846.86 Mn and OFS of 32,20,000 shares by promoters group taking the total issue size at INR 1,693.72 Mn

Issue Summary

Price Band (INR)	250-263
Face Value (INR)	10
Implied Market Cap (INR mn.)	6,424.3
Market Lot	400
Issue Opens on	Jan 20,2025
Issue Close on	Jan 22, 2025
No. of share pre-issue	2,12,06,990
No. of share post issue	2,44,26,990
Listing	BSE,SME
Issue Break-up (%)	
QIB Portion	≥50%
Retail Portion	≤35%
NII(HNI) Portion	≤15%

Registrar

Mufg Intime India Private Limited

Book Running Lead Managers

GYR Capital Advisors Private Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	99.99%	73.64%
Public & Others	0.01%	26.36%

Objects of the issue

- Technical Advancement of leading-edge technology
- Increase in Spending on business developments
- Funding inorganic growth through unidentified acquisitions and other strategic initiatives

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CapitalNumbers Infotech Limited, founded in 2012 and based in Kolkata, is a fast-growing IT solutions provider specializing in customized services such as web and mobile application development, cloud computing, and digital marketing. Serving SMEs, startups, and large enterprises across North America, Europe, Australia, and India, its core offerings include software outsourcing, content management systems, and IT staff augmentation. The company's asset-light model ensures scalability and cost efficiency, enabling it to achieve strong profit margins and operational excellence. With expertise across industries like e-commerce, healthcare, BFSI, and education, the company has established itself as a trusted outsourcing partner. Backed by skilled professionals and robust infrastructure, it is well-positioned to leverage favorable global IT trends for sustainable growth.

Investment Rationale

Robust Market Position with a Strong Brand and Diversified Client Portfolio:

Company has built a strong brand in the competitive IT services industry, backed by its track record of delivering high-quality, tailored solutions that meet client needs. The company's diversified client portfolio spans various industries and geographies, ensuring resilience against industry-specific risks and economic cycles. Long-term contracts and repeat business from clients show a strong relationship and create value across the value chain.

Scalable and Profitable Business Model Enabling Rapid Growth:

The company's asset-light business model, coupled with its focus on cost-efficient outsourcing solutions, allows it to maintain healthy operating margins while scaling operations. The company model provides operational flexibility, enabling it to grow its client base and expand services without significant capital expenditure.

Favorable Industry Tailwinds and Strategic Positioning:

The global IT services sector is witnessing robust growth, driven by trends such as digital transformation, increasing cloud adoption, and the proliferation of emerging technologies like AI, blockchain, and IoT. The demand for outsourced IT solutions is also growing, as businesses look for cost-effective ways to improve their technological capabilities. The company is strategically positioned to capitalize on these trends through its wide service offerings and ability to cater to diverse industries. Additionally, its focus on innovation and adaptability ensures relevance in a competitive and dynamic market.

Skilled Workforce Driving Operational Excellence:

The company is led by seasoned promoters Mukul Gupta and Vipul Gupta, who bring years of entrepreneurial and industry expertise to the company. Under their guidance, the company has grown into a reliable partner for businesses looking to leverage outsourcing for digital transformation. The promoters' vision is supported by a highly skilled workforce of developers, designers, and IT professionals who ensure superior delivery across complex projects. Continuous investment in upskilling employees and adopting new technologies positions the company to remain competitive in a rapidly evolving industry.

Valuation and View:

Company is a well-positioned player in the high-growth IT sector, delivering value-driven solutions. With strong fundamentals, experienced leadership, and a scalable business model, the company demonstrates high margins, consistent revenue growth, and solid long-term growth potential. Its diversified client portfolio, experienced promoters, and skilled workforce ensure operational excellence and client satisfaction. The company's asset-light model supports rapid growth, while industry trends such as digital transformation, cloud solutions, and emerging technologies like AI and blockchain enhance its ability to capitalize on global opportunities. **At the upper band of INR 263 , the issue is valued at a P/E ratio of 24.72x, based on a FY24 EPS of INR 10.64. And based on Sep 25 annualized PAT the issue is valued at P/E ratio of 23.50x. We are recommending a "Subscribe for long Term" for this issue.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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