

Date: November 18, 2025

To,
The Listing Compliance Department
The Bombay Stock Exchange Limited,
PJ Towers, Dalal Street
Mumbai- 400 001
Scrip Code: 544343

Sub: Transcript of Earnings Conference Call for Unaudited Financial Results for the half year ended September 30, 2025

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the conference call on the Unaudited Financial Results (Standalone and Consolidated) for the half year ended September 30, 2025, held on Wednesday, November 12, 2025, at 11:30 a.m.

The above information is also available on the website of the Company i.e.:
<https://www.capitalnumbers.com/investors/corporate-announcements.php>

This is for your information and records.

For **CapitalNumbers Infotech Limited**

Sikha Banka
Company Secretary & Compliance Officer
Mem. No. A47067

Encl: As stated above

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“Capital Numbers Infotech Limited
H1 FY '26 Earnings Conference Call”
November 12, 2025



MANAGEMENT: **MR. MUKUL GUPTA – CHAIRMAN, MANAGING
DIRECTOR AND CHIEF EXECUTIVE OFFICER –
CAPITAL NUMBERS INFOTECH LIMITED**
**MR. VIPUL GUPTA – EXECUTIVE DIRECTOR – CAPITAL
NUMBERS INFOTECH LIMITED**
**MR. SANKET HARLALKA – CHIEF FINANCIAL OFFICER
– CAPITAL NUMBERS INFOTECH LIMITED**

MODERATOR: **MS. CHANDNI – EQUIBRIDGEX ADVISORS PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Capital Numbers Infotech Limited H1 FY '26 Earnings Conference Call, hosted by EquiBridgeX Advisors Private Limited. As a reminder, all participant lines 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 star then zero on your touch-tone phone. Please note that this conference has been recorded.

I now hand the conference over to Ms. Chandni. Thank you, and over to you, ma'am.

Chandni: Thank you, Anushka. Thank you, and a very good morning to everyone. Welcome to the H1 FY 2026 Earnings Call of Capital Numbers Infotech Limited. From the management team, we have with us today Mr. Mukul Gupta, Chairman, Managing Director and CEO; Mr. Vipul Gupta, Executive Director; Mr. Sanket Harlalka, CFO. We will have opening remarks from the management team, post which we will open the floor for Q&A.

With that, I would like to hand over the call to Mr. Mukul Gupta for opening remarks. Over to you, sir.

Mukul Gupta: Thank you, Chandni. Good morning and welcome, everyone. This is Mukul Gupta, Founder and CEO of Capital Numbers. Thank you for joining the H1 of financial year 2026 earnings call. Joining with me on this call today from Capital Numbers side is Mr. Vipul Gupta, Executive Director and Mr. Sanket Harlalka, our CFO.

It has been just over nine months since our IPO in January and our focus has been similar, which is strategic execution. At our last call in May, we laid out a clear plan to deploy our new capital to build capacity, invest in high-growth technology practices, and expand our global sales footprint. This is our first half-year update after the IPO, and I'm happy to share that we have been executing exactly as planned, and the outcomes are now visible both in numbers and client wins.

Before I discuss performance, I would like to remind everyone that the presentation has been uploaded to the BSE already and contains our forward-looking statement disclaimer. Now let me begin with our financial performance. For the first half of financial year 2026, the total revenue stood at INR59.12 crores, representing a 14.5% year-on-year growth compared to the same period last year. This reflects consistent execution despite global market volatility and softer demands in some regions.

Our EBITDA for the half-year was INR20.45 crores, which is 8.3% growth year-on-year, and profit after tax came in at INR14.80 crores, which is up 8.1% over H1 financial year 2025. These results are exactly in line with our expectations.

We are in what we would describe as a planned investment phase, a phase where we are intentionally investing into long-term enablers for future growth. Specifically, this includes strengthening our sales capacity, onboarding senior leadership talent, and deepening our capabilities in AI, Salesforce, and cloud engineering.

These are deliberate choices. They are always translating into stronger enterprise deal flows and a visible uptick in pipeline quality. As these new practices scale, we expect a gradual expansion in both revenue momentum and margins in the coming quarters.

Turning to our balance sheet, we continue to maintain a debt-free position, giving us flexibility to fund our growth organically and inorganically as well. Our cash investments now stand at INR147.49 crores with a current ratio of 30.55, indicating strong liquidity and balance sheet health.

This liquidity provides the financial muscle we need for our M&A strategy and ongoing investments in delivery capability and talent. It also ensures we stay nimble in an evolving global environment, ready to seize any opportunity when they arise.

So, in summary, our H1 performance demonstrates a clear balance between profitable growth today and disciplined investment for tomorrow. We are building scale in the right areas, strengthening our leadership team, and expanding our delivery footprint, all while maintaining robust financial fundamentals.

At the end of financial year 2025, we shared a clear strategy. Number one, expand our global sales team. Number two, expand our focus in AI/ML and data engineering. And number three, move up market and target mid to large enterprise clients. I am happy to confirm strong execution across all the three areas.

Talking about our sales and market expansion, in the last six months, we participated in four major international conferences across Middle East, UK, and Europe. These events generated over 500 qualified leads. From this pipeline, we already have close deals and have pipeline for more than \$600,000 worth of contracts.

Talking about investment and delivery and technical capability, our Gurgaon Development Center has been expanded to 80 plus seats and is currently operating at 90% occupancy. We have appointed a Director for our AI Center of Excellence and a Head of Demand Generation at our Gurgaon Development Center as well. We continue to strengthen hiring in cloud, sales force, data engineering, including senior architects and solution leads. This positions us to execute more complex enterprise programs.

During the half year, we secured a USD\$400,000 product engineering contract for the US-based company. We also signed up two marquee enterprise clients, which are both currently in a paid pilot phases. The first is FTSE listed global real estate organization in sales force consulting practice.

The second is the NYSE listed medical technology company in data engineering analytics practice. These are strategic accounts where successful delivery will lead to multiple future opportunities.

Talking about our M&A roadmap, we have earmarked around 40 crores this year for strategic acquisition. Our focus is on companies with strengths in salesforce, cloud, AI, or digital engineering. So far in the last six months, we have screened over 20 companies, and we are

currently in active discussions with multiple shortlisted targets. We are approaching this with discipline. The goal is capacity capability and market expansion.

Do we remain committed to delivering shareholder value? As such, I'm happy to announce that the board has approved a 10% interim dividend. Additionally, I have personally purchased 72,000 shares of the company this September. This reflects my continued confidence in our growth direction and long-term value creation.

Now the promoter group shareholding has been increased to 47.67%.

Management: 74.67%

Mukul Gupta: 74.67%. Yes. Based on the current pipeline, wind velocity, and ongoing enterprise pilots, we reaffirm our full year guidance of at least 15% revenue growth for FY 2026. Our long-term ambitions remain unchanged, which is to double the revenue in three years, establish leadership in AI delivery models, and expand global presence with local support in key markets.

To summarize, H1 FY 2026 has been a period of solid execution. We are winning higher value clients, expanding capability intensity, and building a globally competitive delivery footprint. The foundations that we have created over the past nine months is now enabling the next phase of the growth.

Thank you so much for your trust and continued support. We will now open the floor for questions. Thank you so much.

Moderator: Thank you very much. We will now begin the question and answer session. We take the first question from the line of Sanket from Aarth AIF. Please proceed.

Sanket: Hi, thank you for the opportunity and congratulations on a great set of numbers, Mukul sir and Sanket sir.

Mukul Gupta: Thank you, Sanket.

Sanket: So my first, Yes sir my first question is that, you know, IT companies like yours are very bullish on Middle Eastern and the UK geography. So can you kind of give some guidance, like, have you been able to appoint a local sales head there in this first half of the year?

Mukul Gupta: No, we haven't. That's a good question. We are seeing good traction in the Saudi and the Middle East market as well. Just to demonstrate a little bit of like a data point, which will help you understand this is if you look at our top five customer breakdown, it now includes a client from Saudi, which was not there six months ago, which shows that our investment and marketing activities in Saudi is paying off.

We are yet to appoint a person in Saudi. It is predominantly due to the fact that we still haven't opened a local entity in these markets. As soon as we open that, we will appoint somebody over there. Right now, it is a leadership team. Our director of operations is directly responsible for that market and is frequently traveling over there.

Sanket: Okay. Okay, great. And sir, in the last guidance, it was mentioned that the company will be aggressively spending on marketing activities. But in the total IPO proceeds, INR15 crores of the IPO proceeds was for spending on business developments.

But in the first half, up till the first half, only INR1.2 crores has been spent so far. So my question is that, is it that in the first half, spending on marketing is lower or have we just, you know, not found the right opportunities for the business development pending yet?

Sanket Harlalka: Yes, I take this question. Actually, the kind of expenditure we have planned is the manpower resources. So as Mukul sir has already said, we are already appointed a demand chain team and we are now increasing that team.

So the expenses will come on month-on-month basis. Now the team has been setup in the first half. So going forward, we will see the expenditures. And regarding the trade show, we have already done the trade show bucket that has been mentioned in the object clause.

Sanket: Okay. Okay. All right, sir.

Mukul Gupta: And to give some more input,

Sanket: And...

Mukul Gupta: Sorry, just to add to what Sanket said, so four events we have already done in H1 and four more are planned in H2 already.

Sanket: Okay. Brilliant. Great. Sir, so as we all know that SAP and Oracle have strongly advised their clients to migrate towards the cloud ERP platforms, as future support and updates for many legacy offline products are going to be ending or being phased out and customers that continue to use legacy versions will be unsupported and face significant risks. So does this pose any risk or opportunity for capital numbers?

Mukul Gupta: We do not have any SAP or Oracle practice right now. That being said, we have one client in Europe who basically has a very large SAP investment, and they have just approached us to see if we can help them with the migration. It's a very initial level discussion. If it materializes, it will be an opportunity for us. But right now, we do not have any SAP or Oracle practice or exposure as such.

Sanket: Okay. Okay. Got it. And sir, I want to ask about the total income, which has increased about 14% odd, right? But the revenue from operations has grown by 4.95%, right? So in the last con call, it was guided that we will be able to achieve 15% growth and top line for the full year, right? So are we still on track to achieve this guidance? And also, I wanted to ask about what does the other income include? Because that was the major reason that the total income has increased.

Mukul Gupta: Yes, that's a very good question. Revenue from operations, so we maintain the guidance and the reason is the kind of pilot project that we are doing right now and the kind of pipeline that we

foresee. So we believe that the revenue growth in H2 will be much greater than the revenue growth in H1. And regarding the second point, I will let Sanket, take that.

Sanket Harlalka: Other income includes the income from the sale of investments and the interest income from the FD.

Sanket: Okay. Got it, sir. Got it. And sir, I wanted to ask about in the last con call, it was discussed that there was around the global corporates, there's some hesitation from them to spend on IT budgets, because the world of AI is so rapidly evolving.

So now, as you know, things have normalized a bit more in the last quarter. Do you have some more, is there any more clarity on the effectiveness and applicability of AI and budget spending by these corporates so that we have more visibility on our growth?

Mukul Gupta: Yes. So definitely the budgets, there is growth in a sense that we see demand coming back. And now we are getting much more interest even from US markets as well from clients. And we believe that, I mean, the opportunities is only going to increase.

As with all IT services company, we have also adopted AI as an integral part of what we do, including equipping our developers to use AI tools to deliver work faster. We do not see any change in the dynamics of the business, apart from getting more opportunities in the area of AI.

In fact, what we have done is after the appointment of the Center of Excellence and AI around Gurgaon, we are now approaching all our clientele and we are offering this 30 minutes to 40 minutes workshop where we are helping them ideate on how to implement AI best in the organization. And we believe that new pipeline will open from that where we have already seen a lot of proposals being sent out to our existing clients, a lot of POCs being test on how they can leverage AI better. So it should lead to bigger opportunities for us.

Sanket: Okay, great. And I just have one last question. So, can you describe what is the order book that we have in hand? That is one. And secondly, roughly INR55 crores is still left to be spent on the other objects of the issue, which is a technical advancement of leading-edge technology, spending on business developments and funding inorganic growth through acquisition. So how do the next six months look like for these objects of the issue? And did we find any success in identifying a target company to acquire?

Mukul Gupta: Sure. So, I will answer these questions one by one. If you currently look at the main flavor of our business, so 90% of the revenue is still recurring and only 10% is project based. So if you look at our current order book, we do not see any change in terms of any negative impact. We see the order book is increasing and we have a predictable demand. So that is in terms of order book.

In terms of M&A, we have had a number of discussions. But there is no delay over there, but there is discipline. So basically, what we are doing is we are not really shopping, but we are strategically hunting for the right partner. Like we have to be prudent towards our capital and it is very easy to buy a company, but it is very hard to buy the right company at the right price.

So we have been continuously been talking to multiple companies, evaluating them. But right now, there are only three companies whom we see as almost fit for our intent. But discussions really haven't matured to a stage where I can give a fixed timeline on when the deal would be completed or if we will proceed with any of these three companies.

But we are working diligently towards that. And we have appointed a very renowned management consulting firm as well who is helping us with this whole M&A activity. This is also I would like to mention over here that this is the first time that we as a company are undertaking M&A. So we are being cautious about it as well and it is taking more time than we had anticipated earlier. So that is about M&A. And what was the second question?

Management: Regarding the spending and technical advancement.

Mukul Gupta: Okay. Sorry, sorry. So spending and technical advancement will continue, but it has to grow in lockstep with revenue. So what we are doing is we are onboarding talent. So we initially planned that we will invest in 10 key technological areas. And this year, we are doing like three. And we have to invest in technological advancement, which should grow in lockstep with revenue.

So what we are doing is proceeding with the strategies where we are doing like three key areas. We are establishing practices over there. And as the revenues will start coming in, we will go to further technologies and continue investing in the existing ones. So that is where you not see the entire money spent in one financial year. But over the next three financial years since IPO, you will see all the money being allocated judiciously towards that.

Sanket Sadh: Okay, okay. Got it. And sir, is there a particular number that you could give to the order book in hand?

Mukul Gupta: So, Sanket, order book.

Mukul Gupta: We do not have a current order book practice. But the revenue pipeline currently is same as H1. So we currently see a pipeline of INR55 crores roughly for H2 as well. But let us say new orders are coming in place. And we are still doing marketing activities. And so we believe that H2 will be better than H1.

Sanket Sadh: All right. Okay. Thank you. That is it from my end.

Mukul Gupta: Thank you, sir.

Moderator: Thank you. We take the next question from the line of Aquib Khan from A3 Investment. Please proceed.

Aquib Khan: Hello. Am I audible?

Mukul Gupta: Yes, Aquib. You are audible.

Aquib Khan: Hi, Mukul, sir. How are you?

Mukul Gupta: I'm doing very well, sir. Thank you so much.

- Aquib Khan:** Although my all the answers have already been answered, my only concern was that I was studying our peers. Means I don't name them. What I was saying that our sales growth and compared to their sales growth, one of them reported around 12% sales growth and another one around 20% sales growth. Compared to that, when we are doing so much marketing, why our sales growth is not that means as we are. I hope you got my point.
- Mukul Gupta:** Absolutely. And it's a very, very fair question for you to ask. And this is also something that we also keep observing. So there's two parts to this question. First is, I mean, there is no denying the fact that as we see some companies, they have posted a good sales growth. What we are seeing is they started investing like much before us.
- So, I mean, we are only investing this whole activity for the past nine months or so. And maybe the results that you are getting is what they have been doing for the past year or two years before that as well. So the results are piling up for them now.
- So we have also started investing in the right areas, which we believe. And if you look at the marketing activities that we have been doing so majorly, if you look at the trade shows that where we have been going to. And since we are talking to C-suites over there and enterprise clients, the business decision life cycle will be about like six to 12 months.
- These are not like something that will quickly materialize into pipeline. So the events that we did in H1 would basically add to pipeline in H2. The events that we're doing in H2 will add to pipeline in H1 of the next financial year. So we believe that sales number will soon show an uptick where we will start posting better numbers in line with our peers as well.
- Aquib Khan:** Okay, Okay, means you are very much optimistic about H2 numbers, right? Means it will be better than this H1 numbers.
- Mukul Gupta:** Yes, definitely.
- Aquib Khan:** And Mukul sir, in last con call, you said that about that 15% growth. And you also said that if as the year goes on and I will be having more visibility, are you stick still to that 15% or you want to upgrade it to some higher numbers?
- Mukul Gupta:** No, I would like to stick to 15% growth right now. Yes, definitely in top line. And as we get more visibility into our business, as I said, if there is any change, I will definitely inform all the investors about it.
- Aquib Khan:** Okay, okay. And although you have already answered that in last con call, you told that within this calendar year only you are going to close the acquisition deal. But I think it may take some more time, right?
- Mukul Gupta:** Yes. And I completely mis-estimated or underestimated our own capability or the kind of pipeline.
- Aquib Khan:** I got it because this was your first acquisition. So it may you might be cautious also and due diligence might be taking your time. Okay, okay.

- Mukul Gupta:** Yes. And since you're also looking at some smaller companies, like if you look at companies who are doing like 2 million and 3 million, the data isn't always that clear. So I mean, it is much later during the presentation that you get clarity of whether these companies are fit for us or not, or there's something wrong with the numbers.
- So we are I believe that we are losing some time. But now that we have taken on consultants as well, we believe that the pipeline should become much better and we should be able to do a transaction soon.
- Aquib Khan:** Mukul bhai, one last question was there. Since we are in very much growing phase and we might be needing fund for some, as you say, acquisition or marketing activities, declaring dividend at this time, don't you think can hamper our growth if we require fund further?
- Mukul Gupta:** No, sir. Our cash position is fairly strong. And what we have done is I mean, if you look at this dividend, what we are doing is we are basically demonstrating value to shareholders that we're committing to like return value to them. So that's number one intent over here. And number two intent, we have viewed the dividend and this doesn't impact our cash position. So we have an ample war chest to pursue M&A and this dividend would not like impact that at all.
- Aquib Khan:** Okay, thanks a lot. Thanks a lot. Wonderful journey ahead. We will stay invested. Hope to see a great journey ahead.
- Mukul Gupta:** Thank you. Thank you so much, sir.
- Aquib Khan:** Thank you, Mukul bhai.
- Moderator:** Thank you. We take the next question from the line of Darshil Jhaveri from Crown Capital. Please proceed.
- Darshil Jhaveri:** Hello. Good afternoon, sir. Thank you so much for taking my question. Hopefully, I'm audible.
- Mukul Gupta:** Yes, Darshil, you are audible. Please go ahead.
- Darshil Jhaveri:** Yes, Yes, Yes. Hi, sir. So we've given a very clear guidance in terms of our revenue. But in terms of our margins, I just wanted to get your opinion that we used to do 30% plus. And in first half, we've done around 26%. And before that, also, I think last H2, we were around 25%. So how do we see margin, as we move forward, sir?
- Mukul Gupta:** No, that's a very, very astute observation, Darshilji. So to talk about margin, it is basically a deliberate and planned investment into our future. So in the last six months, we have been investing ahead of the curve to win larger and higher margin deals.
- For example, we have hired a new director for our AI center of excellence, a new head of demand generation. We have onboarded several senior architects and developers to build capability. Plus, we have expanded our Gurgaon development center to about 80 plus seater capacity to meet a new demand. And also that, I mean, with all the travel and international conferences.

So these are the upfront investments that we have done to basically scale the company. And it has also led to new marquee clients we have added. For example, the FTSE listed and the NYSE listed companies are a direct result of this investment into capability. So we are basically investing in the talent to move up market. And we are confident that these new high margin services line scale, you will see that the margins realign and expand.

Darshil Jhaveri: Okay. Okay. That helps a lot, sir. So I just want to know, like, so right now we are in that investment phase. Assuming by this year end, all the costs that we had to do majorly for investment is front loaded. So next year onward, what margins can we see, sir?

Mukul Gupta: Let's see, honestly, I am not sure if I can, you can, do you have any...

Management: We have already given guidance for increase of by one – that will be...

Mukul Gupta: Yes, we'll maintain our previous guidance. So, Darshil, right now, I mean, there's no change in that.

Darshil Jhaveri: Okay. Okay. We maintain our previous guidance. Fair enough, sir. And so I just wanted to know, like, in terms of acquisition that we are looking at, like we said, we are looking at multiple companies. So are they more into the niche field? Are they, doing something that we are doing similarly? Or could you just help us, what is -- like, how are we looking at? Are they like, will be the more around, turnaround, like where they're not performing well and we'll come in and sort them out? Or what is the area or the way that you're looking at a company?

Mukul Gupta: Sure. So we are looking for a company which basically has to have practice around Salesforce, AI or Cloud. There are three exclusive, there might be some overlap in services, but there could be three exclusive areas that we are looking for.

The company has to be growing, has to be profitable. And like, we are looking at the company at about, like, I mean, 2 million to 3 million in revenue. So that's the kind of a company that we are currently targeting for this financial year. And obviously, we're looking at companies in India. So we're not considering any companies outside India.

Management: Positive EBITDA.

Mukul Gupta: Positive EBITDA, Yes, for sure.

Darshil Jhaveri: Okay. Okay. We're looking at Indian companies only. Yes, that is from my side. So thank you so much, all the best.

Mukul Gupta: Thank you. Thank you so much for joining this call. Thank you.

Moderator: Thank you. We take the next question from the line of Aniket Madhwani. Sorry to interrupt. Aniket is out of the queue. We'll proceed with the next question.

The next question is from the line of Nisarg Shah, an Individual Investor. Please proceed.

Nisarg Shah: A very good afternoon to the management team.

Mukul Gupta: Good afternoon, Nisargji.

Nisarg Shah: Sir, I want to ask that \$600,000 deal in the last six months in international conferences, like -- is it a good amount or we are expecting more than that?

Mukul Gupta: So definitely.

Nisarg Shah: Also, if you can suggest the deals in the pipeline or a rough idea which is going to be completed in the next few months.

Mukul Gupta: So, sir, what happens is this number that we have given is basically a snapshot in time. So, for example, a lot of these events, some events were just done in the month of September, some in the month of July. All of these events happened in, like, it's spread over the last first H1 of the last of FY25.

Now, what is happening is to look at the daily closure life cycle. It usually what is happening in these events is we are talking to, like, C-suites and we're talking to enterprise clients and the whole discovery, the whole idea, the whole sales process is a bit longer. So, it takes about six to 12 months for good deals to sort of materialize from these events.

So far, we have seen the revenue and the pipeline visibility of US\$600,000, but it is not the final number. As we move forward, as we're talking to these clients, for example, this larger businesses, larger enterprise accounts that we have closed as we do the pilot delivery, the subsequent business will come as well as we will sign up more clients, which we are in discussion with right now. So, it is not a final number.

Nisarg Shah: Right, sir. So, at the time of conferences, do we sign any unconditional MOUs or like that to confirm or reconfirm the client?

Mukul Gupta: The MOUs is basically like it's a rare event. It happened -- it happened like only once for us. But typically, if you're signing an MOU in a conference, which means that the deal was already discussed prior to the event and we are just meeting at the event to sign the deal -- to sign the paperwork. But it is not a standard practice for us, sir.

Nisarg Shah: Okay, fair enough. The other question is we have a target of revenue double in three years, right? So, are you including the strategic partnership in that or it's just organic team set of business right now? We are targeting double in three years.

Mukul Gupta: Sir it is including M&A activities as well.

Nisarg Shah: So, including the acquisition or strategic partnership like that?

Mukul Gupta: Yes, sir. Yes, sir.

Nisarg Shah: Okay, so we are targeting around INR40 crores of strategic partnership or acquisition, right? Then what will be the plan for the next year? For the remaining whole amount around INR147 crores on hand, right?

- Mukul Gupta:** Yes, so we will continue -- our goal is to do like in the next three financial year, our plan is to do three acquisitions. But right now, like the first acquisition is taking a bit longer. We have a capped it at INR40 crores. We haven't really planned what will happen after that because I mean, we want to first go through the first deal, have our lessons learned, see how we execute that and then plan for the next one. But definitely M&A was going to be a key part of our strategy.
- Nisarg Shah:** Yes, exactly, sir. I'm expecting the same kind of theme. And the last question is what is the clear cut message to the investors of the IPO that already invested at a very higher price? But not expecting the gain they want?
- Sanket Harlalka:** We will not comment on price.
- Sanket Harlalka:** Actually, we are even committed for our performance. So, as far as price is concerned, we will not comment on the market price, how market will behave. But even if you see the performance of the company, it is never down and it is increasing every year. So, how market will behave is somewhat beyond our capacity. But definitely, we as a team in management, we are committed to perform better and to add value to the shareholders.
- Nisarg Shah:** Thanks a lot, sir. That's the end from my side.
- Mukul Gupta:** Thank you so much, sir, for joining the call.
- Moderator:** Thank you. We take the next question from the line of Sanket Sadh from Aarth AIF. Please proceed.
- Sanket Sadh:** Hi, team. Just have a few more questions regarding the employees and staff that we have hired. So, like you said that in the Gurgaon office, there's 90 employees now. Can you just clarify how many are there in the Kolkata office?
- Mukul Gupta:** If you look at our companies, so far, just for clarity, Gurgaon is basically an 80-seater office with 90% occupancy right now. If you look at the current breakup of resources, I would say that about -- and these are rough numbers, Sanket ji. So, I would say that about 40% resources are based out of Kolkata and then remaining are from rest of India. So, we still practice work from home. So we still have teams in other parts of the country.
- We started the Gurgaon Development Center about one year ago. So now we have shifted to a policy where we are doing mostly on boarding in the Gurgaon Development Center and we are mandating work from office. But that's the nature of the business that we're doing right now.
- Sanket Sadh:** Okay. And how are the business projects divided between the Kolkata and Gurgaon office? What I mean to say is that is the Gurgaon office catering to a specific type of project which you receive or are they catering to a specific segment like, for example, either BFSI or healthcare? How do you divide these responsibilities?
- Mukul Gupta:** It's a very good question. So we created Gurgaon Development Center with the need to get access to niche talent. So what we are doing in Gurgaon office is, for example, not only in terms of technical capability, but if you look at the management capability, for example, we recruited

our head of sales over there. We recruited our head of demand gen over there. All our demand gen team is currently based out of Gurgaon as well. In terms of technically, what we are doing is that office remains in the forefront of any work that we are doing for AI, data engineering and analytics.

So these are the three areas that are predominantly happening out of the Gurgaon Development Center. And that remains our focus is that I mean anything new or any kind of new technology will continue to deliver out of the Gurgaon Development Center. From the Kolkata Development Center, we continue to deliver our core digital engineering services. But anything mostly around new technologies are happening out of Gurgaon.

Sanket Sadh: Okay, got it. And can you explain how many -- what percentage of the employees are currently on bench in the Kolkata office and the Gurgaon office?

Mukul Gupta: The bench numbers remained unchanged. We usually have a 4% to 5% bench. So we have maintained that as a policy. It might fluctuate between months, but quarter on quarter on a regular basis, it remains between 4% to 5%.

Sanket Sadh: And that is blended?

Mukul Gupta: Blended, yes.

Sanket Sadh: Okay, and has the iteration rate reduced for us if we look at the last 12 months.

Mukul Gupta: So it was 26% in the last like last time we reported that it is almost the same. There is no change in our no definite no increase in no change in our iteration rates.

Sanket Sadh: Okay, and so I believe that right now we are hiring a little bit more in the top management, right. Like, for example, I believe the demand gen team would be more senior. Please correct me if I'm wrong. But are we also hiring a little bit in the middle management team as well?

Mukul Gupta: So I will tell you what we have done. And so, for example, like you're absolutely correct. In demand gen team, we have finished all recruitment over there. In fact, the last two people we onboarded, we are about to onboard. After that, there would be no further expansion in the demand gen team in the company, at least for this financial year.

We have also -- earlier we didn't had an account management function like we had a structure where the -- we had no account managers and the project managers to directly deal with the client. So we have introduced the account management structure in the in the company as well. So that position we have also hired a couple of senior guys in the company.

We have hired a couple of project managers as well to basically look after like newer clients. But I think I think the hiring in terms of mid to senior management is now complete. And right now, any hiring that will be doing would be strictly billable and tied to revenue. One more point is the head of AI whom we appointed over there. Sorry, sorry. Thank you.

Sanket Sadh: Right. And I believe there was one person who you had hired in Europe. His name was, first name was Jose, I believe. He was from Netherlands, I believe, right?

- Mukul Gupta:** Yes, right. Right.
- Sanket Sadh:** So what sort of business have we been able to develop from his side in that part of the world?
- Mukul Gupta:** Yes. So we originally anticipated. So Europe is definitely Europe and UK has our revenue contribution has increased from that region. And even as we speak, we currently have a team right now in Portugal for an event as well.
- So we are doing a lot more business activities happening in the European and UK region for us. Where Jose has been instrumental is we initially thought that, okay, he would be spearheading the sales activities.
- But as we started onboarding clients from Europe and from other Spanish speaking countries, we are basically also finding out that he's helping us in account management activities as well and building trust and confidence with these clients who do not speak native English. So his role has kind of diversified into sales as well as an account management kind of a role.
- Sanket Sadh:** Okay, okay. Brilliant. And, you know, earlier you had also mentioned that now we are getting more demand from the US as well for projects related to AI. But I believe earlier maybe earlier the goal was to kind of de-risk ourselves from the US and pay more attention to the UK and Saudi or Middle Eastern markets. So has your focus again shifted towards the U.S. or are we still on the path to maintain a better mix or a higher concentration mix of revenue from UK and the Middle East?
- Mukul Gupta:** So if you look at that's also a very nice question. But if you look at it, our client concentration from the U.S. has actually reduced. And if you look at it, then our revenue from Europe and UK has now grown to 32%.
- And our revenue from India has also grown to about 10.5%, whereas the revenue from the U.S. is basically 41% roughly. This does not mean that the business from the U.S. has reduced, but we have grown more in other regions. And for this financial year, I will continue to focus more on physical marketing activities and our travels.
- We focus more on European and Middle Eastern markets, U.K. including U.K. Next financial year, hopefully when things settle down, we will again look at the U.S. as a market. We will start doing business activities over there. But right now, whatever activities we are doing in the U.S. is purely digital.
- Sanket Sadh:** Okay, correct. That's fair. So can you comment on how we have been able to beat larger IT or consulting companies in certain projects in either India or outside of India where the corporates had favored us and our fee structure and awarded us the project over, let's say, the likes of TCS or Tech Mahindra?
- Mukul Gupta:** Yes. So and that's a very nice question as well. The answer that comes to my mind is if you look at the company pre-IPO and the post-IPO, the two clients that whom we have landed, one is basically a global real estate organization, which is an FTSE listed company. And then second is a medical technology company, which is also NYSE listed.

Now, both of these deals have basically come in because A, our credentials have changed. B, our capabilities have also changed. And now we are able to talk to these clients and we are able to offer capabilities which are much in line with what they are used to expect from a larger company as well.

We are also more nimble and agile. So we have basically land and expand. We are pursuing that strategy. So we are pitching them smaller contracts. We are not asking for them to give us any larger digital transformation or any larger piece for which there is already a lot of competition from a larger established vendor. So we are kind of asking them, okay, give us smaller opportunities build trust.

The medical technology company, we delivered a proof-of-concept recently. It was all of these are paid projects. And the management, the senior management team from the company also joined and appreciated our work.

So we believe that as these things progress, you start getting more trust from these organizations. And as you're able to add these marquee logos to our client roster, we will be able to attract more such clients to trust us with their projects. And it's something that we're also seeing in the Middle East as well, where we have recently onboarded, not recently, but like I think 8 months ago, we onboarded a client in the Middle Eastern region.

And I'm speaking rough timeline, so it might be off by a month or two. We onboarded a very large retailer who already had a very large IT consulting company as their current development partner. But they still chose to give us a piece of work and now we are taking a second project for them as well. So there's already some activity, some positive indication where we are sort of able to grow and take business from against these very large companies, whom I obviously respect a lot.

Sanket Sadh: Right, right. And typically, our company has...

Moderator: I would request you to join back the queue as there are some participants waiting for their turn.

Sanket Sadh: Sure, sure.

Moderator: Thank you. We take the next question from the line of Imran, an Individual Investor. Please proceed.

Imran: Hi, thanks for the opportunity. Am I audible?

Mukul Gupta: Yes, Imran ji, you are audible.

Imran: Thank you. A couple of questions. Number one, out of INR 100 crores that you do, is there any portion that is subcontracting or which is not directly from the clients?

Mukul Gupta: We work with a lot of companies who are IT companies themselves and they sometimes subcontract work to us. A majority is basically end clients, but we still have some IT services companies who are basically based in U.S. or U.K. who subcontract to us.

Imran: And what would be that percentage, sir? 10%, 5%, 15%?

Mukul Gupta: I am speaking very tentatively, Imran ji, I don't have the numbers handy.

Imran: No, no problem. I just need a tentative number. Just want to understand.

Mukul Gupta: Yes, around 10%, sir. I believe it's going to be around 10%. Yes.

Imran: Got it, got it. And the other question is on the margins. Still about last year, you were doing 30% and before that, 35%. So I was curious, are we doing some specialized work? Is it location advantage that brings us higher margins because we are in Kolkata largely? So salaries must be on average lower there. So what is the source of this higher margin?

Mukul Gupta: So it's good business practice, sir, because I mean, first and foremost, when we see those margins, our employee base is very largely diversified. Like I was saying to Sanketh ji as well from Aarth AIF that about like only 30%, 40% of the resources are based out of Kolkata. Even during COVID, we started diversifying and a large portion of our employees are basically based from all overall across India.

And what COVID also did is basically rationalized or basically made salary level playing field because people from Kolkata, now they're getting offers from governments in Bangalore. So salaries have more or less become averaged out across the country.

The reason we were able to get higher margins is, first and foremost, is that we said no to business, which was a low profit business to us. So we always had this principle that we will not take on the client where our margins or where the deal didn't make sense to us. So sometimes we work on a client where it's a large brand and we compromise on profitability over their margins over there.

Sometimes the project is technically very interesting and challenging, and we want to take that up, so we compromise on margins over there. But by and large, as a standard business practice, we do not compromise on margins.

Imran: Got it. And as an industry standard, these projects that you are doing, which you say very interesting, high margins, I'm sure there are a lot of people competing for these margins -- these projects, right?

Mukul Gupta: Yes, sir.

Imran: So how do only we get it? Why not others? Is it too smaller for them to compete? If you could throw some light there.

Mukul Gupta: Absolutely. It's a very fair question, Imran ji. My take on that is that Capital numbers is a small business. So it's basically an SME company still. So any potential client who is evaluating company such as -- let's say, for example, for name's sake, a large IT services companies like Infosys and Wipro will not at parallelly compare capital numbers.

So the two markets are completely different. When they are comparing capital numbers against its own peers, so where we stand out is our credentials. So for example, we are ISO 9001, 27001, SOC 2 type 2 compliant. So these clients, when they're working with us, they know that we have invested in the processes and the infrastructure to keep their data and IT safe, which a lot of smaller IT companies do not have.

Secondly, if you look at our brand reputation, if you go to sites like Clutch, Trustpilot, G2 and good firms, we have about 300-plus five-star reviews, which is again way above any of our peers. And it's not only peers. I'm talking about smaller IT services companies in general.

Then even if you look at our Glassdoor rating, which is about 4.3, which is again higher in its category. So we have -- and then obviously our past project experience, the value we bring in terms of, let's say, pricing and capability. So I believe that if we take all of these into account, then we stand a fair chance and that's how they prefer us over these companies.

Imran: Got it. Completely understandable. And very quick question, question last one. I'll move to the queue after this. We are targeting to acquire maybe one or two companies in the coming years. Do you want to acquire very similar margin companies? Do you want to acquire -- if they are in a similar business, you might be also looking at companies which are doing less margins. What are your thoughts around the margins of the company that you would like to acquire?

Mukul Gupta: Yes. So definitely we cannot really compromise on a margin a lot. So we have -- we are looking at companies who are almost -- it's not like there must be some -- we are not getting any company right now in the pipeline. There is no company which is at same margin as us. It is lower.

But the question is, can we rationalize it going forward? Can we charge higher for what they are doing? Can we grow the margins? And that's all the angles that we're looking at. But we are definitely not looking at companies which are way lower in terms of margin than us. I mean, there's some compromise, but not like we cannot do a lot over there, like it has to be in line with our margins.

Imran: Right. So even after, let's say, one or two acquisitions, a margin should however around 25% plus, not below that, right?

Mukul Gupta: Yes, I believe so.

Imran: Got it. Thank you so much. Best of luck. Thanks.

Mukul Gupta: Thank you so much for joining the call, sir.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question for the day. I would now like to hand the conference over to Ms. Chandni for closing comments. Over to you, ma'am.

Chandni: On behalf of Capital Numbers Infotech and EquiBridgeX Advisors, I thank everyone for taking the time to join today's earnings call. If you have any queries, you can connect to us at info@equibridgex.com. Once again, thank you for joining the conference.

Moderator: Thank you. On behalf of Capital Numbers Infotech Limited, that concludes this conference.
Thank you for joining us and you may now disconnect your lines.