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June 4, 2026

To,
The Listing Compliance Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code: 544343

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of the Earnings Conference Call of H2 and FY 2025-26

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith transcript of the H2 and FY 2025-26 Earnings Conference Call held on Monday, June 1, 2026.

This is for your information and records.

For **CapitalNumbers Infotech Limited**

SIKHA BANKA
Digitally signed by SIKHA BANKA
Date: 2026.06.04 17:40:50 +05'30'

Sikha Banka
Company Secretary & Compliance Officer

Encl: As stated above

"Capital Numbers Infotech Limited
H2 FY26 Earnings Conference Call"
June 01, 2026

MANAGEMENT: **MR. MUKUL GUPTA – CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR – CAPITAL NUMBERS INFOTECH LIMITED**
MR. VIPUL GUPTA – EXECUTIVE DIRECTOR – CAPITAL NUMBERS INFOTECH LIMITED
MR. SANKET HARLALKA – CHIEF FINANCIAL OFFICER – CAPITAL NUMBERS INFOTECH LIMITED
MR. ANINDYA MUKHERJEE – DIRECTOR, OPERATIONS – CAPITAL NUMBERS INFOTECH LIMITED
MR. SUBHRAJIT DAS – DIRECTOR, HUMAN RESOURCES – CAPITAL NUMBERS INFOTECH LIMITED

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

Moderator: Ladies and gentlemen, good day and welcome to the H2 FY26 earnings conference call of Capital Numbers Infotech Limited, hosted by EquibridgeX Advisors Private Limited. Please note, this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not guarantee of future performance and may involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal an operator by pressing star and then zero on your touchtone telephones. Please note that this conference call is being recorded.

I now hand the conference over to Ms. Dhruvi from EquibridgeX Advisors Private Limited. Thank you and over to you, ma'am.

Dhruvi: Thank you and a very good afternoon to everyone. Welcome to the H2 FY26 earnings call of Capital Numbers Infotech Limited. From management team, we have with us Mr. Mukul Gupta, Chief Executive Officer and Managing Director; Mr. Vipul Gupta, Executive Director; Mr. Sanket Harlalka, Chief Financial Officer; Mr. Anindya Mukherjee, Director of Operations; and Mr. Subhrajit Das, Director of HR. The call will begin with opening remarks from the management, after which we will open the floor for Q&A.

With that, I would now like to hand over the call to the management for opening remarks. Thank you, and over to you, sir.

Mukul Gupta: Thank you so much. Good afternoon, everyone, and thank you for joining us today. I am Mukul Gupta, Managing Director and CEO of Capital Numbers Infotech Limited. Joining me today are Vipul Gupta, Executive Director; Sanket Harlalka, CFO; Mr. Anindya Mukherjee, our Director of Operations; Mr. Subhrajit Das, who is our Director of HR.

Before I begin, I would like to let you know that the presentation has already been uploaded on the BSE website and you can refer to the same. Let me begin by a brief overview of the company and our journey so far. Capital Numbers was founded in 2012 in Kolkata with a simple, but ambitious vision to build a global technology company from India that could deliver world-class software engineering and digital transformation services to business across the world.

Over the years, we have evolved from a small software services company into a global digital engineering partner; serving startups, mid-sized businesses and enterprise clients across multiple geographies.

A major milestone in our journey came on January 27, 2025, when we successfully listed on the Bombay Stock Exchange SME platform, following our IPO. We remain grateful for the trust and confidence shown by the investors during that process. Today, we are 500 plus professionals serving more than 250 active clients globally.

We operate development centers in Kolkata and Gurgaon along with onsite presence in Saudi Arabia, Egypt, and Morocco. Our business today spans software engineering, cloud transformation, AI, enterprise automation, Salesforce and digital transformation initiatives.

Our mission remains focused on helping clients improve efficiency, accelerate innovation, and stay competitive in a rapidly changing technology environment. We continue to maintain ISO 9001, ISO 27001, and SOC 2 Type 2 Certification, reflecting our continued commitment to quality, security and operational discipline.

During FY26, the company also received several industry recognitions, including Times Business Award for excellence in AI solutions, Economic Times; Best Tech Brands 2025, Clutch 1000 which basically listed us as amongst top 1,000 software development companies globally, and of course, Nasscom SME Inspire 2025.

These recognitions strengthen our credibility in enterprise sales discussions, talent acquisitions and global market positioning. As of March 31, 2026, the promoter group held 74.98% shareholding in the company. During financial year '26, I increased my personal shareholding from 39.8% to 40.4% through open market purchases. This reflects my long-term confidence in the company, its strategy and its future growth potential.

Let me now move to our financial performance for financial year 2026. For the year March 31, 2026, Capital Numbers reported total income of INR115.60 crores, representing a year-on-year growth of 9.4%. The revenue from operations increased to INR105.05 crores from INR99.7 crores in financial year 25. While this represents an improvement over financial year '25 growth levels, the outcome was below our internal expectations for the year.

During the second half of financial year '26, we expected elongated enterprise decision-making cycles and delayed ramp-ups in certain large engagements, some of which now shifted into financial year '27.

I would also like to inform the investors that during the last financial year, we committed a lot of financial investments toward growth in the Middle East, which didn't reflect to the planned revenue as expected in H2. Rather than slowing down investments during this period, we chose to continue investing in long-term growth areas including business development, leadership hiring, AI capability development, enterprise sales and delivery expansion. We believe these investment positions the company to grow more strongly for future. Despite these investments, profitability remained healthy and resilient.

EBITDA for financial year '26 stood at INR35.80 crores compared to INR35.69 crores in financial year '25, resulting in an EBITDA margin of 31%. The moderation in margin primarily reflects planned investments in global sales and marketing, Gurgaon center expansion, senior talent induction and AI capability building. Profit after tax stood at INR25.50 crores compared to INR25.80 crores in financial year 25.

PAT margin for financial year 26 was 22.1%, which we believe remains strong for a company in an active investment and expansion phase. Basic earnings per share for financial year 26 was INR10.44 compared to INR11.83 in financial year 25. This decline primarily reflects the impact of full-year weighted average post-IPO share count during financial year 26 versus a partial post-IPO share base during financial year 25.

Our balance sheet has also strengthened significantly during financial year 26. Total assets increased to INR199.59 crores. Shareholder funds increased to INR191.55 crores. Most importantly, the company continued to remain fully debt-free with a current ratio of approximately 29.8 times, providing strong liquidity and financial flexibility.

From a financial discipline perspective, this remains one of the key strengths of the business. Operating cash generation remained healthy at INR17.29 crores during financial year 26. Cash and bank balances at the year-end stood at INR88.62 crores, while current investments increased to INR81.13 crores. Trade receivables remained well-controlled at INR10.23 crores, reflecting disciplined collection and healthy client payment profile.

Now let me discuss our strategic focus area and future direction. Artificial intelligence, machine learning and generative AI continue to remain our highest priority and fastest-growing service segment. During financial year 26, AI-related revenue exceeded 10% of total company revenue for the first time.

Over the last 18 months, we have made substantial investment in AI capabilities, talent, delivery framework and internal enablement. Our AI Center of Excellence continues to focus on research and development, enterprise AI implementation, delivery methodology and internal AI adoption.

We believe AI will fundamentally change the way software is designed, developed, tested and maintained over the coming years. Accordingly, our objective is not only to deliver AI projects for the clients, but also to improve productivity and scalability internally through AI delivery methodology.

During financial year 26, we also expanded our dedicated AI and machine learning hiring initiatives at our Gurgaon center and saw multiple enterprise AI pilots transitioned to production deployments. Moving to revenue structure. Approximately 91% of financial year 26 revenue came from time and material engagement.

This model helps long-term client relationships, better revenue visibility and closer integration with client engineering teams. Geographically, revenue distribution for financial year 26 was approximately 41% from US, 31% from Europe and UK, 10% from India, 11% from Middle East and 7% from the rest of the world.

We continue to see strong opportunities across North America and Europe while also gradually expanding our presence in the Middle East region. During financial year 26, we substantially increased investment in global business development activities. We participated in nine international trade shows, including the London Tech Week, Mobile World Congress Barcelona, along with several additional international technology events.

These initiatives generated over 500 qualified leads and multiple enterprise opportunities currently under active discussion. During financial year 26, we also secured two Fortune 500 client wins. One in life sciences and healthcare involving domain analytics and warehouse management; one in chemical and materials involving enterprise automation using UiPath.

Due to confidentiality obligations, we are unable to disclose client identities publicly. However, these engagements strengthen our positioning in enterprise accounts and support future growth opportunities. Now, I would like to discuss our proposed acquisitions of Epitome Cloud Inc.

As disclosed, due diligence has been completed and definitive documentation discussions are currently in advanced stages. Epitome Cloud is a US-incorporated technology services company headquartered in New Jersey with an Indian subsidiary operating delivery centers in Bangalore and Hyderabad. The company specializes in Salesforce consulting, CPQ and revenue life cycle transformation.

Contract life cycle management, and workflow automation. Strategically, this acquisition is the most is very important for several reasons. First, it strengthens our US market presence and enterprise client access. Second, it expands our capabilities in premium enterprise technology segments.

Third, it enhances our access to certified Salesforce and enterprise technology talent. Fourth, it is expected to support our future growth objectives and service diversification. I would like to reiterate that this transaction remains subject to definitive agreements, regulatory approvals and customary closing conditions.

Importantly, this transaction is expected to be funded through IPO proceeds and balance will be funded through internal accruals available without external debt. Moving on to liquidity and financial strengths. As of March 31, 2026, cash and bank balances stood at INR88.62 crores. Current investments stood at INR81.13 crores.

Long-term fixed deposits stood at approximately INR1.6 crores. This resulted in a total cash and investment of approximately INR171.3 crores. The company remains fully debt-free with substantial financial flexibility and liquidity. This strong balance sheet provides the company with the ability to invest in growth, pursue strategic opportunities, strengthen delivery and navigate market cycles effectively.

Looking ahead to financial year 27, based on the current visibility, active pipeline discussions and expected business momentum, management is targeting a minimum 35% revenue growth in

INR terms during financial year 27, along with a gradual EBITDA margin recovery towards 33%.

The expected improvement is driven by operating leverage from Gurgaon expansion, productivity gains from recent senior hires, improved utilizations, and expected contribution from higher-value enterprise engagements. This guidance reflects management's current expectations and remains subject to risk and uncertainties, including macroeconomic conditions, client spending patterns, onboarding timelines and competitive dynamics.

During financial year 26, the company distributed an interim dividend of 10% of face value. Additionally, the board has approved a proposed final dividend of 10% of face value, subject to shareholder approval at the forthcoming Annual General Meeting. Before I conclude, I would like to thank our shareholders, employees, clients, partners and board members for their continued trust and support.

Financial year 26 was the year of investment, capability building and strategic positioning of the company. We remain focused on disciplined execution, responsible growth, operational excellence and long-term shareholder value creation. Thank you once again for your time and continued confidence in Capital Numbers. We will now open the floor for questions.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Yes, am I audible, sir?

Mukul Gupta: Yes, sir. Good afternoon.

Moderator: Yes. Please go ahead.

Deepak Poddar: Yes, very good afternoon, sir. Thank you very much for this opportunity. Sir, just first up on the acquisition part, so what is the amount we are paying for this acquisition, Epitome Cloud, and what is its financials and 35% growth how much portion is coming from Epitome?

Mukul Gupta: Yes, so I will answer all the three questions. The total consideration amount for Epitome Cloud would be about INR40 crores. That's what the total consideration amount is. The company's topline is around INR30 crores and its EBITDA margin is around.

Management: The adjusted EBITDA margin will be in line with the company expectation and it will not deteriorate our existing EBITDA percentage.

Mukul Gupta; Yes, and in terms of revenue contribution, we believe approximately 25% to 30% would be coming through this acquisition.

Deepak Poddar: Okay. So organic growth, I mean, even last 3 years if you see, our organic growth has been in the range of, I mean, 3%, 4%, 5%, right? FY24 if you see, FY25. This year also, I mean, 35%

we are talking about, majority INR30 crores topline is coming from our -- the acquisition only. So organic growth is somewhere we are lacking, right? I mean, there we are not able to see growth. I mean, just wanted to understand why. I mean, what is the concern?

Mukul Gupta: No, absolutely. It's a very fair question. So what we -- in our typical business, what we are seeing is we have an approximate client retention rate of about 90%. So what we believe is that organically we would be adding another INR20 crores, INR25 crores in a net new revenue in the business. So the projection that I am giving of 35% is basically the most pessimistic projection and we will revise it as the company -- as the situation evolves in the future. In comparison to last year, we see much better organic growth this year as well.

Deepak Poddar: So INR25 crores additional organically that you can expect and plus INR30 crores, INR35 crores can…

Mukul Gupta: Yes, but there would be -- Yes, but there would be some natural client churn which happens as well. So about 10% churn is very natural in our business.

Deepak Poddar: No, no. So this INR25 crores is after the churn, right? I mean…

Mukul Gupta: No, no, sir. What I'm trying to say is if you look at the current top-line of the company, then we expect that there would be a churn of approximately 10% and then we will be adding approximately let's say INR20 crores, INR25 crores in terms of net new revenue and approximately INR30 crores through acquisition. As these things play out, we expect that the total growth in the company should be around 35% at the most pessimistic level.

Deepak Poddar: At the most pessimistic. Okay, I got it. And in terms of your cash, we have got INR170 crores of cash, right? Some of this will be utilized in this acquisition, but majority will still be left. So what is the plan on that?

Mukul Gupta: Yes. So this is only the first acquisition that we have planned in a series of acquisitions. We already -- so we plan to like at least do two-three more acquisitions in the coming years. So we already talking to multiple companies and a lot of fund would be acquired -- will be used towards future acquisition as well as further investment in the company as we develop offices in this -- for example, in US.

Deepak Poddar: Okay, okay. And this acquisition, by when it's expected to get completed, the Epitome?

Mukul Gupta: So the due diligence has been completed. We are in the process of signing the definitive agreement. We expect it to complete within 8 to 12 weeks.

Deepak Poddar: 8 to 12 weeks.

Mukul Gupta: Yes, sir.

Deepak Poddar: Okay, okay. Just and one last thing from my side. In terms of margins, I mean, we are saying we have got 31% margin, right? I mean, I'm not able to understand where are you getting this 31%

EBITDA margin from? I mean, are you including other income because your EBITDA is INR25 crores on a…

Sanket Harlalka: Yes, by the formula, we are including the total income as a denominator and the EBITDA as a numerator.

Deepak Poddar: Yes, but you are including other income?

Sanket Harlalka: Right, right. We are including.

Deepak Poddar: So even if other income I include, then your INR25 crores becomes INR35 crores, then your EBITDA margin becomes 34%. So I'm not able to understand 31% EBITDA margin in FY26. I'm not able to…

Sanket Harlalka: No, no. My EBITDA margin is -- the total EBITDA is 35.79%, right, for the year? And the total revenue is INR115.6 crores. So it's 31%.

Deepak Poddar: 35.7% divided by INR105 crores is your -- you are including this INR10 crores in total revenue. Okay, okay.

Sanket Harlalka: Yes, we are including other income. That is what the base formula actually is.

Deepak Poddar: Okay, okay. I got it. Yes, that would be it from my side. Very helpful. Wish you all the best.

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

Moderator: Thank you. The next question is from the line of Sanket Sadh from Aarth AIF. Please go ahead.

Sanket Sadh: Good afternoon. Thank you for the opportunity, sir.

Mukul Gupta: Sanket, good afternoon.

Sanket Sadh: Yes. Sir, my first question is that in the last earnings call, we guided that we would be participating in more trade shows in H2. However, the company has only spent 44 lakhs in H2, which is close to 7.3 lakhs per month on average. And I understand because of the West Asia crisis and I saw on LinkedIn that you were unfortunately also stuck in the Middle East while your team was traveling to Spain.

So apart from that, were we able to, find any other opportunities in Europe or the US? And if you could kind of give some guidance about the trade shows coming up in the next 6 months and how much would you be spending there?

Mukul Gupta: Yes, sir. Thank you for that question. So again, what happened in last years, we invested quite a lot in trade shows and predominantly we were focused on Middle East. So like, I mean, out of nine events, so we did three non -- like six were done in Middle East. And in H2, what we saw is a lot of disturbance that is happening and still it is not clear.

So what happens is these trade shows require a commitment like at least 8 to 10 months prior to it actually happening. And right now, still right now, we do not have any transparency or visibility into what's -- how the situation is going to pan out. So we have actually reduced our commitment for trade shows in the Middle East.

We are going to do only two or three major events. So that's like -- that's what we have already committed to for the coming financial year. But what we are doing is we are utilizing the fund towards other marketing and sales channel. So if you want, I can talk for a couple of seconds about that as well.

Sanket Sadh: Yes, yes, sure.

Mukul Gupta: Yes, sure. So what we are doing is post -- like one of the things is that post this acquisition that is happening, we will have a physical base in the US. So what we will start doing again is invest in more events on US and European side. In fact, we are going to London Tech Week just next week as well.

And then what we have also doing is we have started a demand gen team, which is basically an outbound team which is going to generate more leads out of European countries. So we just sort of pivoted away from doing more events in Middle East to reinvestment in US, Europe, and this demand gen team that is again we have started a new practice in the company.

Sanket Sadh: Got it, sir. Understood. Sir, our other expenses has increased by 30%. And as per my understanding, typically a major expense is, our marketing and sales and business development, which is put under other expenses, right? But since, we weren't able to do much of that this year, so what was the reason other expenses increased by 30%?

Mukul Gupta: So what happens is, I mean, if you look at other -- Yes, absolutely right. The expenses marketing and sales is the biggest component of -- Yes, sorry. So marketing and sales is the biggest component of the other expenses column along with technical fees, which is basically something that we are currently paying to like sub-party subcontractors for the payment subcontractors. So these two are the major components of the other expenses.

So the technical expenses that you see, basically since we do not have a physical entity in the Middle East, whatever employees we are deploying in Middle East, we are doing through an -- a third-party provider, which is why it is getting shown in the technical fees.

Secondly, in the marketing, what we are doing is that, I mean, obviously a lot of fund went into marketing. We are reutilizing that fund this year. It is not that we are cutting the budget, but we are trying to optimize it so that we do not over-invest in Middle East but diversify into other areas, including online demand generation, this demand gen team which is basically a cold calling outbound team that we have already set up. We have even appointed a head of demand gen for that particular position, as well as expansion of events into US, UK, and Europe.

Sanket Sadh: Okay. Got it, sir. Understood. Sir, my last question is, the company was previously interested in increasing the revenue mix in -- from the Middle East. But despite the West Asia war, was the company able to gain any insight, any, incremental business from Middle East, like from the BFSI space?

Mukul Gupta: Yes. So our -- so one of our top five client is currently from Middle East. And Middle East is now contributing about I think 7%-8%, Yes, 11% of the revenue is coming from Middle East market. So Middle East grew a lot. However, in H2, we intentionally are being very cautious. Again, the teams are not travelling anymore to Middle East.

And we are very -- so whatever client base we have, we are more interested in maintaining that and growing those accounts instead of any net new acquisition. So we kind of holding off what we are doing in Middle East for the time being. But yes, the top -- one of our top 10 -- top 5 clients actually coming from the Middle Eastern region, which is the new addition to the company.

Sanket Sadh: Understood. And we're only focusing on BFSI in Middle East, right? There's no healthcare revenue coming from there, right?

Mukul Gupta: No. So healthcare in Middle East is bit difficult. Currently, it's only BFSI.

Sanket Sadh: Understood. Okay, thank you, sir. That's it from my end.

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

Moderator: Thank you. The next question is from the line of Chintan Parikh from Vyom Capital. Please go ahead.

Chintan Parikh: Yes, am I audible?

Mukul Gupta: Yes, sir.

Chintan Parikh: All right. Sir, first question is what is behind our other income of INR10.55 crores?

Sanket Harlalka: So I take this question. The other income constitute majorly income from the fixed deposit and the sale of investment.

Chintan Parikh: Okay. And can you a little bit elaborate on the sale of investment?

Sanket Harlalka: Right. It's the sale of investment what we are holding currently in our current investment and the interest from FD is that -- that is for the IPO that we kept for further utilization.

Chintan Parikh: Okay. Understood. Sir, next question is on the Epitome Cloud acquisition. Sir, what are the current numbers of Epitome in March '26 and what's the onshore-offshore ratio of Epitome?

Sanket Harlalka: So the -- for March '26, current -- CY26 is INR28 crores.

Management: INR28 crores. And in terms of offshore-onshore, they have seven people onsite in US and about 45 in India.

Chintan Parikh: Okay. And sir, post-acquisition, what will be our onshore-offshore mix?

Mukul Gupta: So we will not change any dynamic. Currently, we do not have anybody onsite in US. After the acquisition, we will not change any structure within the existing company and continue to operate it as is.

Chintan Parikh: So post-integration, our margin will improve or margin will reduce because now we have more like seven more US resources and we are also planning to add more US presence for our sales and marketing as well. So...

Mukul Gupta: The margins will improve, sir. Yes, sorry to interrupt. Please continue. Sorry, Yes.

Chintan Parikh: Yes. So I mean, revenue definitely will increase, but what about the margin, the profit margin perspective?

Mukul Gupta: Yes, the margins will already -- will also increase. This company's adjusted EBITDA margin is already in line with our current adjusted EBITDA margin. And these resources that -- because they operate in a -- they are not a generic provider. Epitome Cloud operates in a very specialized area of business where they are able to command premium rates.

So the profitability will continue to like -- they are profitable at what they are doing. And we expect that post this transaction as well, our -- the net effect on our balance sheet would be positive in all sense, both revenue as well as profitability.

Chintan Parikh: Okay. And sir, you mentioned that you are also looking at some other acquisition. Can you help us understand is it a geography-based strategy, is it a specialized ERP place like or let's say CRM place like Salesforce or Conga, what we see at Epitome, or what is the growth strategy for acquisition that you are currently pursuing?

Mukul Gupta: Perfect. No, absolutely. So we are very focused on that and very mindful of how we are acquiring -- what companies we are looking for. So predominantly what we are looking for as our next acquisition is a company which is already -- which has a domain expertise in AI, preferably vertical, some vertical experience in either fintech or healthtech.

So that's the next target and we are actively scouting, meeting companies every week. So that's our next target for acquisition. And this -- with this acquisition, we have fulfilled our projection of having expertise around Salesforce, Conga, and Agiloft, which Epitome Cloud brings on board.

Chintan Parikh: Okay. And sir, in terms of our revenue mix, right, you mentioned AI is around 10%. So what kind of AI work is there? If you can -- is it a T&M work mainly here as well or...

Mukul Gupta: Are you asking is it T&M work?

Chintan Parikh: Yes, the AI revenue of 10%.

Mukul Gupta: Yes, Yes. Yes, sir. That's the company-wide standard. So typically about 90%, 91% in fact of the revenue is recurring T&M-based work and the remaining 9% is basically a fixed cost agreement like limited time fixed cost agreements.

Chintan Parikh: No, no. I mean, the AI revenue that we are talking about of 10%. So that AI revenue specifically, is it also T&M revenue in the AI?

Mukul Gupta: So I will explain your question in a little longer way. So I will explain you the sales cycle of AI is a bit different than what we typically do. So what happens in a typical AI project is you start with a discovery, right? We try to understand the client's business problem, then we move to prototype, then we move to a POC or a full-fledged development depending on where the client is at.

So all AI contracts basically start as a discovery, which is a fixed cost agreement. So we charge a certain fee upfront for exploring business case and demand creating a POC for them. As soon as it transitions to production, it becomes a T&M contract where we basically deploy teams, which is billed on a monthly contract. So it's the standard practice in AI what we are currently following. So all AI contracts are also following T&M model itself.

Chintan Parikh: Okay. All right. Thanks. I'll go back in the queue here.

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

Moderator: Thank you. The next question is from the line of Imran from Longbow India. Please go ahead.

Imran: Hi, thanks for the opportunity. I hope I'm audible.

Mukul Gupta: Yes, sir. Please continue. Good afternoon.

Imran: Yes, good afternoon. Sir, my question is to the CFO. If you can clarify the amount that we raised from the IPO is about INR169 crores, right?

Sanket Harlalka: Yes. Pardon please, what amount?

Imran: So the amount that we raised from the IPO is about INR169 crores, right?

Sanket Harlalka: Yes, Yes. Correct.

Imran: Half of which -- I think half of which the promoter did the offer for sale and half came to the company. So my question to you is, what were the total IPO-related expenses? About INR20 crores or something?

Sanket Harlalka: So the total IPO-related expenses is around INR21 crores, out of which promoters has incurred -- meaning, reimbursed around INR11 crores. So the net expenses will stood at between INR9 crores to INR10 crores for the company.

Imran: When did this happen? When did the promoter reimburse INR11 crores because I was checking the numbers last year and it was all charged to the company. So when did promoter...

Sanket Harlalka: No, actually the thing is that we made the IPO around -- in the month of January end '25. So, all the expenses relating to IPO was met, most of the expenses are met in FY25-'26. So just after completing the total outlay of the IPO expenses, the annexure was presented to the promoters and they have reimbursed. So, it was reimbursement was done in the year '25-'26 for the expenses which we have paid in cash in 25-26.

Imran: Okay. So those reimbursement done in '26. Got it. I think this was the question. Thank you.

Mukul Gupta: Thank you.

Moderator: Thank you. The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity. Sir, I'm relatively new to the company. So, if you could help me understand what is exactly that we provide to these BFSI customers in digital engineering segment? And sir, the acquisition that we did, how does this fit into our tech capabilities or product offerings? If you could help me understand how does this integrate?

Mukul Gupta: Sure. So, thank you so much for being a part of Capital Numbers and joining this call. I really am honored. Thank you so much. So, I will answer this question in a little longer way. So, we are not specialized in BFSI. It is just that BFSI happens to be -- so we are primarily a digital product engineering company.

A lot of our clients happen to be in BFSI sector where what we do for them is basically either end-to-end product development. So we have clients, for example, in UK who are into payment gateway solutions where we have developed entire payment gateway solutions for them. We have client in US for which we have created mortgage and loan disbursement platforms. So several things that we have done.

During -- in the software development life cycle, sometimes clients come to us and say that okay, we just want you to take build the entire product for us. In some cases, for example, we work with a major insurer in the Middle East. For them, we only do automation testing. So it is just that, I mean, based on where the client is at, what they are looking for, we either take care of end-to-end product development for them or they can basically involve us in the particular problem that they are currently facing.

So that's to answer your question around BFSI. This Salesforce initiative is something that we were very keen on. So even when we raised funds during the IPO, one of the key objectives was to -- we wanted to expand in niche enterprise technology areas where we identified certain areas where we want to grow, Salesforce being primarily amongst them.

So again, it was a question of whether we go through an organic route where we build everything from ground up or whether we found -- whether we basically do an M&A and get to the market faster. This company that we are acquiring, the way it adds value to the company is it is not just a generic Salesforce provider, like we don't do Service Cloud, Marketing Cloud. I mean, these are the common things, Sales Cloud. They are specialized in Revenue Cloud.

And there are very few companies -- they obviously do the other things as well, but there are very few companies that specialize in that area and their end customers tend to be very large enterprises. So that gives us access to working with a larger, bigger clientele than we are used -- than we are currently serving.

Secondly, majority of the revenue currently comes from US where we currently have no physical base. The founder of the company is basically based out of Bay Area and it is our intention now to have a physical office in America as well. So it will give us a foundation to basically have a presence in America and sort of grow our customer base and improve our customer services from there. So that's the kind of synergy we are looking for.

Madhur Rathi: Sir, so if I were to compare the product development and software testing as other service offerings that we provide to our -- similar to our competitors, sir, our margins are on higher end. So sir, what is it that we do differently or what is it our competitive advantage versus other IT companies that helps us deliver these high margins? And sir, we also mentioned that we expect to grow at 35%. So this is organic growth, right? I -- my line was not clear when you mentioned this.

Mukul Gupta: No, sure, sure. So I will answer the second question first. The guidance that we have given is basically we haven't split the guidance into organic or inorganic. So it's the combined guidance where we expect that the company should pessimistically be growing at least 35% and we should be able to improve our EBITDA margin by at least 200 basis point. So that's the overall guidance of the company for the current financial year.

Now coming to Capital Numbers as an IT services company. It's a very good question. We are one of the few smaller companies in India who have the kind of credentials -- like I'm not comparing myself to the larger enterprises and all the due respect to them, they are the bigger companies out there. If you are to look at the small to small-sized IT services company, very few companies have the kind of expertise, the kind of reach, and the kind of certifications that we do.

So even if you look at our brand mentions, and you can just -- I mean, I would encourage you to please visit our websites and you will see a lot of brand mentions, like we have continuously received award from Economic Times, Times of India, NASSCOM has ranked us as SME Inspire, and the current Finance -- Chief Commerce Minister of India himself presented the award to us in Delhi.

So we have the company that has those credentials to grow. Secondly, the certifications. So if you look at ISO 9001, which is very common, but 27001, SOC 2 Type 2, these are certain compliance which smaller companies do not invest in. So when a company which is in let's say healthcare or a BFSI who are very, very sensitive about the intellectual property and confidentiality and data protection, when they are kind of evaluating vendors, we feel that as a combination of all of these things, we stand out and they see us as a much stronger competitor, much stronger provider or partner for them, sir.

Madhur Rathi: Got it, sir. Sir, thank you so much and all the best.

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

Moderator: Thank you. Next question is from the line of Dhaval Ravaria, an Individual Investor. Please go ahead.

Dhaval Ravaria: A very good afternoon, sir. Sir, two questions over here. Sir, like as you said, you're going to achieve a 35% of revenue growth in the FY27. So what is the management like the medium-term revenue target and the CAGR for the next two to three years? Like is it going to be the same 35% or will it be changed? Like how is it?

Mukul Gupta: So sir, our initial -- like our top -- our goal as our intention for the next three years is to achieve INR200 crores top line maintaining the current EBITDA margin and improving it. So that's what we are aiming for like as our three-year plan. And we are currently executing that and we feel that like with all the things that we have been doing, investing in development centers, investing in leadership, investing in marketing, investing in acquisition, we should be able to achieve that. Your first question, sir, was around your guidance in the short term, was it like what is our short-term revenue…

Dhaval Ravaria: Medium term, I mean to say….

Mukul Gupta: So I will let our CFO answer this question.

Sanket Harlalka: Medium term, sir, means one year…

Mukul Gupta: Medium term -- okay, I got your question. So, your medium term say one year we are projecting 35% growth.

Dhaval Ravariya: Okay, sir. Okay. And sir, my second question is like from the FY26 trade shows, in the London Tech World wherein you got a lead around 500 plus qualified leads. Like how many of them have been converted into the paying customers so far, and what is the ratio -- what is the follow-up thing you do to achieve that number?

Mukul Gupta: Right sir. So, what happens in trade shows is, basically, these are larger enterprise (life cycle conversations). So, the deal to -- discussion to deal closing time is approximately 6 to 12 months. So, it is not like a short-term thing. So, we will see a lot more deal closures happening in the coming weeks and months from all the events that we have done.

Second thing, sir, I would like to again reiterate, and I want to be very honest and transparent to our investors, is last year between like if we did nine events, we six we did in Middle East, three we did international, approximately maybe there's like four and five, I'm just being rough numbers. In the Middle East, we are intentionally not pushing.

So whatever deals we are currently talking, we are pursuing those, whatever is happening we are continuing with all the clients, but we are not being aggressive in the Middle East because we do not know how things will pan out over there.

In the other regions that we did events in, all the discussions are in progress and we currently added in this year, we added two Fortune 500 clients to our client roster which didn't exist before. So that basically shows that these deals are able to get us into better quality conversations with our clients.

Dhaval Ravariya: Okay, sir. Thank you, sir. That's it from my side.

Mukul Gupta: Thank you so much, sir.

Moderator: The next question is from the line of Khush from Kushal Digital. Please go ahead.

Khush: Hello, sir. Good afternoon. I have been an investor in your company for about a year or two. However, there has been no growth at all, whether in the short term or medium term. For those who have invested for the long term, their money hasn't grown either, and your share price seems to be going down every day. While you say the company is growing, there is no growth for the shareholders.

Sanket Harlalka: Sir, I will answer this. Sir, since we launched our IPO, we have consistently shown profits, and it is growing in absolute terms. Regarding the share price, we cannot comment much on that, but I believe it is driven by the investors themselves. You all are the ones who will be able to increase it. Even after performing well for the last two years, I am not sure why the company's share price is not rising.

Khush: But there is no growth for the shareholders; it is decreasing every day. I don't know, for the past year, I haven't seen any returns.

Sanket Harlalka: Sir, we are positive about the company. So, hopefully, in the future, you may see good returns. But personally, we cannot comment on the share price.

Khush: You were talking about becoming a mid-cap company when the IPO was launched, but it seems it will become a micro-cap company soon.

Sanket Harlalka: Sir, that is our target. As Mukul sir has already commented , we want to double the company in three years. At that point, we can think of listing in the mid-cap segment, moving from the SME to the main board. That is in our pipeline.

Khush: But that is not happening.

Sanket Harlalka: Sir, it hasn't even been three years yet.

Khush: In one year, the future looks...

Sanket Harlalka: Sir, we had given a three-year target for that. I think we can proceed to the next question.

Moderator: Sure, sir. Thank you. The next question is from the line of Saikiran Pulavarthi from Pulavarthi Advisors. Please go ahead.

Saikiran Pulavarthi: Hi, am I audible?

Mukul Gupta: Yes, sir. Please proceed. Good afternoon.

Saikiran Pulavarthi: Hello, am I audible? Yes. Good afternoon, sir. Just curious, I want to understand what is your parameters when you are allocating capital primarily for the acquisition, whether you look at payback period or you look at -- what are the parameters which you look at when you are evaluating any deal in the M&A?

Mukul Gupta: Sir, I will answer this question in a very broad sense in a sense that I do not want to disclose too much. But the primary criteria is that we are looking at a service company with some IP in a sense that we are not looking at a pure product play, we are looking at a company that is into services. Majority of the revenue should come from exports, so we are not looking at companies who are basically doing business in India.

So, it has to be export-driven revenue. The company should be profitable, like it should be growing and profitable. And then sir, technology specialization. So, what we have set up is that either they specialize in a particular technology or they have domain expertise in certain industry. So that's the four kind of like criteria that we have put in, and that's how we are working with our advisors as well who are continuously connecting us with matching companies, whom we are meeting almost one company every week and evaluating them.

Saikiran Pulavarthi: Got it. In terms of the financial parameters, what are the few things which you keep in mind while pursuing further? What I mean to say is like -- what I mean to say is like, say for example, in this case of potential acquisition which you are in the close to the finalization, you are putting in approximately INR40 crores. Do you think from that ROCE perspective or ROE perspective or how many years there are certain thresholds which you have in mind? How do you think about it?

Mukul Gupta: Sir, I mean, is it possible for you to rephrase your question a bit? I mean, I will try my best. Are you saying that financial parameters, what financial parameters and what return on equity, what return on investment…?

Saikiran Pulavarthi: Yes, sir. Absolutely, sir. Return on investment. Say for example, you are allocating INR40 crores of capital. On an alternative base, your returns are primarily the FD returns. Of course, your business is making much more better ROEs and ROCEs. So, do you have any threshold like 20% ROE, I have to put in, when I buy an asset or how do you think about it?

Sanket Harlalka: Sir, initially when we pick the acquisition or a target company, we basically see whether that company has the potential to grow in a synergic basis. Secondly, whether the EBITDA margin is in line with our company, adjusted EBITDA what I am talking about. So, these two parameters are there. And third is the technical one, whether it should bring new technology or new manpower that could increase the company on a consolidated basis.

Saikiran Pulavarthi: Okay sir. Thanks. And just one last question from my side. Sir, you have expanded into Gurgaon for various restated reasons. Now that you have spent some time in the development center in Gurgaon, have your objectives which you envisaged earlier have been achieved or how do you think about it?

Mukul Gupta: Okay, sir. So, you're asking whether the objective of establishing the Gurgaon development center has been achieved or not. Is that your question, sir?

Saikiran Pulavarthi: Exactly right.

Mukul Gupta: Yes, absolutely. I mean, without that Gurgaon capability center that we have established, I don't think we would have been able to do what we have been doing. So, all new management hires, whatever capacity building we are doing is all basically happening in Gurgaon. And I would say that yes, our objectives over there has been achieved and we look forward to growing that center.

Saikiran Pulavarthi: Thanks for -- really appreciate your answer. Thank you very much.

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

Moderator: The next question is from the line of Anuj Kumar Ghosh, an Individual Investor. Please go ahead.

Anuj Kumar Ghosh: Hello. Am I audible?

Mukul Gupta: Yes, hello, sir. You're audible.

Anuj Kumar Ghosh: Okay. The thing is that two question I have. First of all, with regards to the acquisition approved by the Board meeting, kindly provide the brief details on the revenue visibility. You have already said that 35% is the revenue visibility in the coming -- that means in the current fiscal year, okay?

And the second thing is that, what is the employee strength currently right now is the going to acquisition going to happen? And the third question is that you said in the last con-call that your growth will be 15%, but it has not been achieved. So, what is the main reason for that?

Mukul Gupta: Okay, sir. So, I will answer all your questions one by one. Let me first answer the bigger question, which is why the growth hasn't happened. That's a very fair question. It's a definitely a very fair question, and I really respect that you brought that up. It was -- so the growth -- it is not that we have lost any material -- there has been no material disruption to the business, we haven't lost major clients.

The growth didn't happen primarily because in H2, we didn't expect whatever new contract closures that we expected, the time it took to close those new contracts has been higher. So, I mean, we didn't -- the contract that we took didn't materialize in a way we thought it would materialize. Cloud Epitome currently, if you look at the company, its topline is around INR28 crores and its adjusted EBITDA is in line with our current EBITDA.

And the third question, sir, it has about 55 employees, seven onsite -- remaining onsite in US and remaining over here in India. And that would be added as a net addition to the company.

Anuj Kumar Ghosh: That means offshore there will be seven and in India it is 45.

Mukul Gupta: Onsite, sir, seven. In America, they have seven people.

Anuj Kumar Ghosh: Okay. And in India 45.

Mukul Gupta: 45 people, sir.

Anuj Kumar Ghosh: Okay, okay. Thanks. Thanks.

Mukul Gupta: Thank you, sir.

Moderator: Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead. Mr. Poddar, your line is unmuted. Yes.

Deepak Poddar: Am I audible? Yes. Okay, Yes. Thank you very much once again for this opportunity. Sir, just wanted to understand, I mean, some of the shareholders were talking about the returns and all not getting generated. I mean, are we considering in light of that -- and also, it's much below our IPO price, right? Considering any kind of buyback from the company side? I mean, that kind of will build confidence from the investor community. I mean, and we have cash balance as well, right?

Mukul Gupta: Right now, we have not considered any buyback. So, we plan to utilize our capital towards growth and expansion. So, we are being more aggressive on the acquisition and business development side. So right now, we are not planning any cash -- any buybacks. Dividend again, sir, we have announced dividends, but I mean, we are not planning any buybacks right now.

Deepak Poddar: Okay, okay. But this entire INR170 crores we will utilize it for the acquisition purpose? I mean, that two-three acquisition you were…

Sanket Harlalka: Sir, part of it will be utilized for inorganic growth and the part of it will be utilized for organic growth to cope up with the new technology and new strength that also need some funds. And presently we are not looking for buyback. Maybe it can be rethought after a year or some time.

Deepak Poddar: Okay, understood. And whatever investment we are doing in terms of these new technologies, I mean, we expense it or is any amount we capitalize as well?

Sanket Harlalka: No, it's all expensed out.

Deepak Poddar: Okay. It all is expensed out.

Sanket Harlalka: Yes.

Deepak Poddar: Okay, okay. Yes, Yes. That would be it from my side. Thank you. Thank you.

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

Moderator: Thank you. Next question is from the line of Nisheeth Srivastava, an Individual Investor. Please go ahead.

Nisheeth Srivastava: Hello. Good afternoon, Mr. Gupta and everyone. Can you hear me?

Mukul Gupta: Good afternoon, sir.

Nisheeth Srivastava: Good afternoon, sir. Yes. I just want to understand -- Yes, I just want to understand the dividend policy because I understand that your cash and investment is to the tune of about INR180 crores. And then you have earned around 11INR per person -- I mean EPS -- and you are distributing INR1 as a dividend. So, this is on the lower side in my understanding because of the cash and investment you already have on the books.

And in fact, on the irony side is that your market cap is almost equivalent to your cash and investments, which is really an irony from that point of view. But your dividend policy is not very attractive in that sense. Can you comment on that.

Sanket Harlalka: I take this question, sir. Thank you for your feedback, sir. Our dividend policy is not 10%. It's 20% taking the final dividend in consideration. And we plan to distribute around 20% to 25% of our current profit as a dividend. Apart from that, regarding the shareholder fund, we believe that part is given back to the shareholder as a dividend and the part we kept with the company to grow it further. So, this is what is our thought on the shareholder return.

Nisheeth Srivastava: Okay. I appreciate that. If you can make that money work better, that's actually win-win for everyone.

Sanket Harlalka: Yes. Noted, sir. Noted, sir. We will take this for future.

Nisheeth Srivastava: Yes. And my second question is that if I take away the other income and calculate the operating margin, then it comes to about 24%. I mean, I'm not counting the other income. So, when you said 200 basis point improvement, is it on this one or you are also including the other income when you were saying that -- 33%?

Sanket Harlalka: Sir, it's operating income increased by 200 basis point.

Nisheeth Srivastava: Okay. So, it's like the total that you're calculating, basically including the other income, even in the future.

Mukul Gupta: Yes, sir.

Nisheeth Srivastava: Okay. Fine. I understand. And one other -- one last question probably is that the acquisition that you did of Epitome, which is about 45 people and we paid INR40 crores for that acquisition, which is in -- if I do a back-of-the-envelope calculation, comes to about INR90 lakhs per capita. I mean per person the acquisition cost. And when I see the run rate of our own -- of our company, which is like INR115 crores and 500 people, if I calculate again, it comes to about INR22 lakhs per capita, per person. So, is that something not very expensive from the acquisition point of view, the one that you did versus what our own company actually values at?

Sanket Harlalka: To correct you, sir, as Mukul sir has already said, there are seven persons that are onsite in US where the billing rate is very high and the cost is also very high. So, if you consider, apart from seven person, 45 are from India and they are working on the niche technology. So, considering that and the projected EBITDA, we consider it a very reasonable acquisition.

Nisheeth Srivastava: Okay. Okay, fine. So, do you see any sectoral headwinds or because the IT market is kind of now seen as saturated or but do you see any tailwinds because of the AI and ML or you still see that it's a normal growth that we expect going forward and not something like a strong tailwind or something? Or even a headwind if you can just -- I want to actually look at from next three to five years' perspective from a business point of view. So, do you see any headwinds either ways, like headwinds or tailwinds in the sector?

Mukul Gupta: Absolutely, sir. And I will take that question. I mean, in terms of if you look at what are the headwinds, I think the global economic uncertainty is the biggest headwind that the sector is facing right now. I mean, that's just the common thing that we are seeing. What we also seeing is, I mean, that is the biggest challenge and obviously there's -- obviously a question of talent availability around AI, which is also becoming challenging.

In terms of headwinds, sir, there are a lot of opportunities around AI for sure. What we are seeing in the company is increasing demand in terms of AI services, cloud modernization, automation. So, lot more discussions happening, people are trying to figure out how to best implement AI in their business.

And I think that's the biggest opportunity we're pursuing now. Also, with this Salesforce acquisition that we are currently doing, that opens up a completely new domain for us because as I was telling, this company is specialized in a very niche area of Salesforce, which is revenue operations. So, there are not many specialized players in that particular area and we feel that that will definitely open new opportunities for us.

Nisheeth Srivastava: Okay. Thank you so much for taking my questions. I just want to leave it with one -- I mean, if I can do say advice, is that because your market cap is almost equivalent to your cash and investments, so you are sitting on a lot of cash, I think the buyback would be the best -- or I don't know, you are the best judge -- but from a shareholder point of view, I'd say that buyback would be a one of the good options for you to look at.

Mukul Gupta: Thank you so much. We will definitely consider it.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to Ms. Dhruvi for closing comments.

Dhruvi: On behalf of Capital Numbers Infotech Limited and EquiBridgeX Advisors, I would like to thank everyone for taking the time to join today's conference call. Should you have any further queries, please feel free to connect with us at info@equibridge.com. Thank you, everyone.

Mukul Gupta: Thank you so much.

Moderator: Thank you very much. On behalf of EquiBridgeX Advisors Private Limited, that concludes this conference call. Thank you all for joining us and you may now disconnect your lines. Thank you.