

March 19<sup>th</sup>, 2018

**Listing and Compliance**  
**National Stock Exchange of India Limited**  
**Exchange Plaza, C-, Block G**  
**Bandra Kurla Complex,**  
**Bandra (East)**  
**Mumbai-400051**

**Reference: SM - INFOBEAN**

**Subject: - Research on InfoBeans stock by the Simply wallst**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), we are delighted to inform that the InfoBeans Technologies Limited (the company) has been researched by the Simply wallst and included it in the list of those Companies which has **high Return on Equity**.

Pursuant to Regulation 46 of the SEBI(LODR) Regulations, the aforesaid information shall be disclosed on the website of the Company viz. [www.infobeans.com](http://www.infobeans.com)

Kindly take the same on record.

**Thanking You**

**Yours Truly,**  
**For InfoBeans Technologies Limited**

  


**Nitisha Pareek**  
**Company Secretary**

## Media Release



### Research on InfoBeans stock by

NEWS + ANALYSIS FROM A FUNDAMENTALS PERSPECTIVE

InfoBeans is delighted to announce that our stock has been researched by Simply Wallst. As per the report published.

InfoBeans Technologies Limited outpaced its own industry which delivered a less exciting 11.10% over the past year. Though, the impressiveness of INFOBEAN's ROE is contingent on whether this industry-beating level can be sustained. A measure of sustainable returns is INFOBEAN's financial leverage. If INFOBEAN borrows debt to invest in its business, its profits will be higher. But ROE does not capture any debt, so we only see high profits and low equity, which is great on the surface. But today let's take a deeper dive below this surface.

### Return on Equity

Firstly, Return on Equity, or ROE, is simply the percentage of last years' earning against the book value of shareholders' equity. An ROE of 27.79% for InfoBeans implies 0.28 returned on every 1 invested, so the higher the return, the better. Investors that are diversifying their portfolio based on industry may want to maximise their return in the Application Software sector by choosing the highest returning stock. But this can be misleading as each company has different costs of equity and also varying debt levels, which could artificially push up ROE whilst accumulating high interest expense.

### **Return on Equity = Net Profit ÷ Shareholders Equity**

ROE is measured against cost of equity to determine the efficiency of INFOBEAN's equity capital deployed. Its cost of equity is 13.40%. Since INFOBEAN's return covers its cost more than 14.39%, its use of equity capital is efficient and likely to be sustainable. Simply put, INFOBEAN pays less for its capital than what it generates in return. ROE can be split up into three useful ratios: net profit margin, asset turnover, and financial leverage. This is called the Dupont Formula:-

### **Dupont Formula**

**ROE = profit margin × asset turnover × financial leverage**

**ROE = (annual net profit ÷ sales) × (sales ÷ assets) × (assets ÷ shareholders' equity)**

**ROE = annual net profit ÷ shareholders' equity**

Basically, profit margin measures how much of revenue trickles down into earnings which illustrates how efficient INFOBEAN is with its cost management. Asset turnover reveals how much revenue can be generated from INFOBEAN's asset base. And finally, financial leverage is simply how much of assets are funded by equity, which exhibits how sustainable INFOBEAN's capital structure is. We can determine if INFOBEAN's ROE is inflated by borrowing high levels of debt. Generally, a balanced capital structure means its returns will be sustainable over the long run. We can examine this by looking at INFOBEAN's debt-to-equity ratio. Currently INFOBEAN has virtually no debt, which means its returns are predominantly driven by equity capital. Therefore, the level of financial leverage has no impact on ROE, and the ratio is a representative measure of the efficiency of all its capital employed firm-wide.

While ROE is a relatively simple calculation, it can be broken down into different ratios, each telling a different story about the strengths and weaknesses of a company. INFOBEAN exhibits a strong ROE against its peers, as well as sufficient returns to cover its cost of equity. Its high ROE is not likely to be driven by high debt. Therefore, investors may have more confidence in the sustainability of this level of returns going forward. Although ROE can be a useful metric, it is only a small part of diligent research.

Why you should Invest in InfoBeans Technologies Limited, there are three relevant factors you should further research:-

**1. Financial Health**

**2. Valuation**

**3. High-Growth**

**Analysis can be viewed by clicking on the below link -**

[https://simplywall.st/stocks/in/software/nse-infobean/infobeans-technologies-shares?l=1&t=ebr&s=1&id=208724&utm\\_source=post&utm\\_medium=finance\\_user&lt=CTA\\_ticker&utm\\_campaign=CTA\\_ticker](https://simplywall.st/stocks/in/software/nse-infobean/infobeans-technologies-shares?l=1&t=ebr&s=1&id=208724&utm_source=post&utm_medium=finance_user&lt=CTA_ticker&utm_campaign=CTA_ticker)

**Commenting on that News, Mr. Avinash Sethi, Co-founder & CFO, InfoBeans Technologies Limited said:-**

*“We are pleased to inform that InfoBeans has been researched by the Simply wallst and included it in the list of those Companies which has **high Return on Equity**.*

*We hope that this platform will enable us to create more confidence with the investor community. I believe that this platform recognizes our team’s efforts in building this company and will pave the way towards enhanced value creation.”*

**About InfoBeans Technologies Limited**

Founded in 2000, InfoBeans Technologies is a Leading player offering Customized Software, Digital Transformation and Enterprise Mobility solutions for clients across the globe. With two state-of-the-art facilities in India, the CMMI level 3 certified Company caters to Fortune 500 clients in USA, Germany and Middle East markets. The Company caters to a wide range of segments in the industry, including distributed storage systems, multi-format multimodal content delivery and ecommerce web and mobile platforms for diverse sectors. The Company’s transparent operations, professional team of over 740 employees and high customer-focus has enabled it to grow blue-chip client base with over 90% repeat business.

**For further information, please contact:**

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**Caution Concerning Forward Looking Statements:**

*This document includes certain forward-looking statements. These statements are based on research house’s current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. InfoBeans Technologies Ltd. is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.*