DALALBYTES RESEARCH

Sigma Solve

A Profitable Boutique Priced on Profit It Has Not Explained

IT services at 13.3x headline earnings
and about 18 to 19x core earnings, no debt,
and an unexplained profit line

NSE: SIGMA · BSE: 543917

November 5, 2026

Reference: Rs 40.77, NSE close of November 5, 2026.
Market cap about Rs 419 cr; 52-week range Rs 35.46 to Rs 64.20.
Business, financials, competition, management,
valuation vs peers, risks, and FY2029 scenarios.

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VERDICT

52 / 100 : Neutral

Sigma Solve is a genuinely profitable small IT services boutique. Consolidated sales rose from Rs 41 cr in FY22 to Rs 96 cr in FY26, operating margin has held between 30% and 41% for five years, borrowings are Rs 2.01 cr against net worth of Rs 77.07 cr, and the promoters hold 73.21% with zero pledging. On the headline numbers the stock looks cheap: Rs 40.77, a market cap of about Rs 419 cr, and 13.3x trailing earnings.

The headline numbers are the problem. Trailing profit includes a single quarter, Q1 FY27, in which other income of Rs 8.97 cr was 54% of profit before tax, arrived mostly inside the US subsidiary, and has not been explained in any public filing summary this report could find. Strip other income out and trailing EPS falls from Rs 3.05 to about Rs 2.2, and the multiple rises from 13.3x to about 18 to 19x, the top of the small IT services peer band, for a business whose sales have just stalled: H1 FY27 consolidated sales of Rs 46.44 cr were up 0.4% year on year, and Q2 FY27 sales fell 8.5%.

The balance sheet and the promoter record keep this from being a Negative. The earnings quality and the disclosure standard keep it from being Positive. A debt free company earning 30% plus operating margins does not need to ask investors to take its biggest profit line on faith. Until Sigma Solve explains the Rs 8.97 cr and restarts sales growth, the honest grade is Neutral: a good small business, an unproven stock.

What would change the score: a filing that explains the Q1 FY27 other income as a repeatable item, plus two quarters of double digit sales growth, would push the score up, while a second unexplained other income spike or a fall in FY27 sales would cut it.

Reference price: Rs 40.77 (NSE close, November 5, 2026). Market cap about Rs 419 cr. 52 week range Rs 35.46 to Rs 64.20. Latest reported quarter is Q2 FY27 (September 2026), filed November 3, 2026.

FY2029 targets: Bear Rs 25 / Base Rs 48 / Bull Rs 72. See Section 15 for assumptions.

1. SNAPSHOT

Item	Detail
Company	Sigma Solve Ltd, HQ Ahmedabad, Gujarat
Incorporated	April 29, 2010, as Sigma Solve IT Tech Private Limited
Listed	NSE Emerge IPO October 2020 at Rs 45 (face value Rs 10 then); migrated to NSE and BSE mainboards June 9, 2023
Business	IT services and consulting: custom enterprise apps, e-commerce, cloud, data and AI services for US mid-market and SMB clients

Item	Detail
Structure	Indian parent plus wholly owned US subsidiary Sigma Solve Inc (Sunrise, Florida and Atlanta) and Rish Info Logistics Pvt Ltd (2024)
FY26 consolidated	Sales Rs 95.62 cr (+25.5%); operating profit Rs 28 cr (OPM 30%); PAT Rs 24 cr; EPS Rs 2.32
H1 FY27 consolidated	Sales Rs 46.44 cr (+0.4% YoY); PAT Rs 19.41 cr, lifted by Rs 9.86 cr of other income
Balance sheet	Net worth Rs 77.07 cr (March 2026); borrowings Rs 2.01 cr; investments Rs 39 cr
Promoters	73.21% (September 2026), Parikh and Zaverchand families; pledging 0.00%
Capital actions	3:2 bonus October 2022; 1:10 stock split October 2025, face value now Rs 1; shares 10.28 cr

2. FOUNDING STORY: A FLORIDA FRONT END AND ITS AHMEDABAD DELIVERY ARM

The US business came first in commercial terms. Sigma Solve Inc was floated in Florida as an LLC jointly owned by Biren Zaverchand, the promoters' son-in-law, and Prerak Parikh, the promoters' son. Prakash Parikh incorporated the Indian company in Ahmedabad in 2010 to provide IT and IT enabled services and, in the prospectus's own framing, to accelerate the business of the Florida company. The listed Indian entity began life substantially as the delivery arm of a family owned US front end.

The IPO did not buy the whole business. Sigma Solve listed on NSE Emerge in October 2020, raising Rs 4.95 cr at Rs 45 a share. At that point the Indian company held only about half of Sigma Solve Inc, acquired in 2019 at 51.04%. The stake rose to 59.81%, and only in FY24, when Sigma Solve Inc bought back its own shares and the parent did not participate, did the holding reach 100%, effective October 16, 2023. For the first three listed years, a material share of group profit leaked to minority interests held outside the listco, Rs 16 cr of minority interest sat on the March 2023 balance sheet, and consolidated series before FY24 are not cleanly comparable with those after it.

That history is fixed, and it still matters. The structure today is clean: a wholly owned US subsidiary that books most client revenue, and an Indian parent that delivers. But the founding arrangement tells you how this group has historically thought about the boundary between family assets and listed assets, and it is the right lens for the unexplained subsidiary level profit in Q1 FY27, covered in Section 6.

Scale came from referrals, not from a sales machine. The company claims 378 plus clients, 1,260 plus projects delivered and a referral rate above 90%, and its FAQ states that over 80% of revenue comes from client referrals and partner sourced introductions. About 250 people (FY25 annual report figure) across Ahmedabad, a Pune delivery centre opened in September 2025, Sunrise and Atlanta in the US, and a home

office presence in Australia, produce just under Rs 100 cr of sales.

3. WHAT THE BUSINESS ACTUALLY DOES

One segment, eight service lines, no splits disclosed. Sigma Solve reports a single segment, IT services and consulting, under Ind AS 108. It publishes no segment, geography or client concentration split. That absence is itself a finding, because the group structure makes the split the whole story: standalone sales of the Indian parent in FY26 were only Rs 38.52 cr against consolidated sales of Rs 95.62 cr, so roughly 60% of group revenue is booked by the US subsidiary.

The service catalogue, in plain terms. The money is in services billed by the hour and by the project: custom enterprise applications and mobile apps, web and e-commerce development (Shopify Plus, nopCommerce, Adobe Commerce and Magento builds and migrations), cloud infrastructure on AWS and Azure, data engineering and analytics (Snowflake, Power BI), ERP and CRM work (Microsoft Dynamics 365, Salesforce), plus UI and UX design, digital marketing, automation testing and quality assurance. A small catalogue of paid plugins and extensions for Magento, nopCommerce, PrestaShop and WordPress is sold from its own store. The plugins are real and immaterial: the consultancy is the business.

The technical pivot the company is selling now. Current positioning leads with AI and automation: production grade AI built on reusable accelerators for logistics, healthcare, fintech and manufacturing, including document AI, knowledge copilots, agentic workflows and compliance automation, plus Global Capability Center setup for clients. No AI revenue, order book or recurring revenue figure is disclosed anywhere, so the pivot is verified as marketing and unverified as economics.

The delivery model is the classic boutique arbitrage. US front end offices in Sunrise, Florida and Atlanta carry sales, client engagement and onshore presence, with deliberate US time zone overlap. Delivery sits in Ahmedabad, and since September 2025 in a second centre at Kalyani Nagar, Pune, opened alongside the appointment of a Vice President of Delivery with over 20 years of enterprise IT delivery experience. The cost gap between US client pricing and Indian delivery cost is what a 30% plus operating margin is made of.

Practice area	What it covers	Evidence of depth
AI and automation	Document AI, knowledge copilots, agentic workflows, compliance automation on reusable accelerators	Company practice pages; no revenue disclosed
Data and analytics	Snowflake platforms, dbt pipelines, Azure Fabric, Power BI reporting	Snowflake partner claimed by the company
Commerce	Shopify Plus and nopCommerce builds, migrations and managed services; Magento practice	nopCommerce Gold Partner and Shopify Plus Partner (company claimed); a Shopify directory case study cites a meal plan migration where conversions doubled
ERP and CRM	Dynamics 365 Business Central, Dynamics GP and NAV migrations, Salesforce, Power Platform	Microsoft Partner (company claimed)

Practice area	What it covers	Evidence of depth
Cloud	AWS and Azure architecture, managed cloud, GCC setup, HIPAA compliant deployments	AWS Partner (company claimed)
Legacy lines	Web and mobile apps, real time applications, business intelligence, digital marketing, QA and testing, paid plugins	Long standing catalogue; plugins immaterial to revenue

4. WHERE THE REVENUE COMES FROM

Line	FY25	FY26 / latest	Note
Consolidated sales	Rs 76.17 cr	Rs 95.62 cr (+25.5%)	Single segment; no geography or client split disclosed
Standalone (Indian parent) sales	Rs 31.94 cr	Rs 38.52 cr	Implies about 60% of group sales are booked in the US subsidiary
Other income (consolidated)	Rs 1 cr	Rs 4 cr	Rose to Rs 9.86 cr in H1 FY27 alone, Rs 8.97 cr of it in Q1 FY27
Total income (consolidated)	About Rs 77 cr	About Rs 100 cr	Sales plus other income

Consolidated, Screener basis with cross checks to MCA extracts. The company discloses no revenue split by service, geography or client in its results.

Read the structure before the growth. FY26 sales growth of 25.5% is real, and it followed 17% in FY25 and 16% in FY24. But the growth is consolidated growth of a group whose shape changed in FY24 when the US subsidiary became wholly owned. The cleaner recent signal is the quarterly run: sales of Rs 25.59 cr in the September 2025 quarter, then Rs 24.73 cr, Rs 24.64 cr, Rs 23.03 cr and Rs 23.41 cr. Four quarters of drift down, then flat. Whatever FY26 was, FY27 so far is a stall.

5. FINANCIALS: FIVE GOOD YEARS, ONE FLAT HALF

Year	Sales (Rs cr)	YoY	Operating profit (Rs cr)	OPM	PAT (Rs cr)	EPS (Rs)
FY22	41	n.a.	15	37%	14	0.87
FY23	56	+37%	23	41%	18	1.14
FY24	65	+16%	23	35%	19	1.57

Year	Sales (Rs cr)	YoY	Operating profit (Rs cr)	OPM	PAT (Rs cr)	EPS (Rs)
FY25	76	+17%	26	34%	19	1.86
FY26	96	+26%	28	30%	24	2.32
TTM to Sep 2026	96	n.a.	32	33%	31	3.05

Consolidated, Screener basis. EPS is split adjusted. Pre FY24 PAT is after minority interest in a partly owned US subsidiary, so the FY22 to FY24 profit series carries a structural break. TTM PAT includes the Q1 FY27 other income spike discussed in Section 6.

The margin trend is the slow leak in the story. Operating margin compressed every year from 41% in FY23 to 30% in FY26, even as sales grew by a quarter in FY26. Employee cost is the driver: in Q4 FY26 employee cost was 36.1% of that quarter's revenue and rose faster than revenue. Growth at this scale is being bought with delivery cost, which is normal for IT services and fatal to any claim that the boutique has operating leverage it has not yet shown. The one encouraging print is the newest: Q2 FY27 operating margin recovered to 36.4% on flat sales, the best margin in five quarters.

Returns are high because the equity base is tiny. ROE of 36.8% and ROCE of 47.7% on Screener for FY26 are arithmetically real and economically flattered: net worth is only Rs 77.07 cr, the business carries almost no fixed assets (depreciation runs at about Rs 1 cr a year), and the treasury pile described in Section 7 does part of the earning. A services boutique with rented offices and laptops should earn high returns on equity. The question is never the ratio; it is whether profit is cash and whether it repeats.

6. THE QUARTER THAT DECIDES THE GRADE: Q1 FY27

Quarter	Sales (Rs cr)	Operating profit (Rs cr)	Other income (Rs cr)	PBT (Rs cr)	PAT (Rs cr)
Q1 FY26 (Jun 2025)	20.66	4.97	2.14	6.83	5.19
Q3 FY26 (Dec 2025)	24.73	7.84	1.67	9.21	6.71
Q4 FY26 (Mar 2026)	24.64	7.80	-0.79	6.76	5.37
Q1 FY27 (Jun 2026)	23.03	7.74	8.97	16.48	12.58
Q2 FY27 (Sep 2026)	23.41	8.53	0.89	9.20	6.83

Consolidated, Screener and filed results. Q2 FY27 filed November 3, 2026.

What happened, in one paragraph. In the June 2026 quarter, other income of Rs 8.97 cr exceeded the entire operating profit of Rs 7.74 cr and made up 54% of profit before tax. PAT of Rs 12.58 cr was up 143% year on year on sales up 11.5%. The same line had been negative Rs 0.79 cr the quarter before and fell back to Rs 0.89 cr the quarter after. Standalone other income in the Indian parent that quarter was only about Rs 0.68 cr, so roughly Rs 8.3 cr of the item arose inside the US subsidiary or on consolidation.

What it was is not on the public record. No results summary, board outcome or press coverage located for this report explains it, and it carries no exceptional item label. The balance sheet offers a hypothesis, not an answer: consolidated investments jumped from Rs 17 cr at March 2025 to Rs 39 cr at March 2026, and past profit and loss breakups for this group include profit on sale of investments, profit on sale of fixed assets and foreign exchange gains among other income components. A fair value or sale gain on the investment book is consistent with the evidence. It is not established by it. DalalBytes treats the item as non recurring and unexplained, and values the stock on core earnings of about Rs 2.2 of trailing EPS, not the reported Rs 3.05.

Why it matters beyond one quarter. H1 FY27 headline PAT rose 64% year on year to Rs 19.41 cr while sales rose 0.4%. Almost the entire increase is the other income swing. An investor reading only the headline multiple of 13.3x is capitalising a treasury event as if it were services profit, at the exact moment services revenue stopped growing.

7. BALANCE SHEET AND CASH FLOW: STRONG, WITH A TREASURY INSIDE

Item (Rs cr)	FY24	FY25	FY26
Net worth	30	49	77
Borrowings	5	4	2
Investments	7	17	39
Operating cash flow	7	17	30
Free cash flow (Screener)	6	17	30
Debtor days	82	100	70
Dividend per share (Rs)	0.50	0.50	0.50

Consolidated, Screener and MCA extracts. Net worth of Rs 77.07 cr and borrowings of Rs 2.01 cr at March 2026 are MCA corroborated. The FY26 final dividend total is unresolved between sources (a board agenda item proposed revising it after the split), so no payout ratio is printed in this report; the Rs 0.50 per share figure and the 1.23% yield at the reference price are as declared.

Solvency is not a debate. Borrowings of Rs 2.01 cr against net worth of Rs 77.07 cr is a debt to equity ratio of about 0.03, interest cost is a rounding error, and operating cash flow has been positive every year from FY21 to FY26. Promoter pledging is zero in every quarter on record.

The treasury is the second business. Investments of Rs 39 cr are about half of net worth and 44% of the balance sheet. Cash flow from investing swung from minus Rs 31 cr in FY23 (building the pile to Rs 44 cr) to plus Rs 36 cr in FY24 (liquidating it to Rs 7 cr, the same year Rs 41 cr of financing outflow is consistent with the minority buyout of the US subsidiary). Reported free cash flow therefore mixes services cash with treasury movements, and the FY26 figure of Rs 30 cr includes other income received. Core services cash conversion looks adequate; it is not as clean as the headline.

Working capital is the live watch item. Debtor days blew out from 35 in FY23 to 82 in FY24 and 100 in FY25 before improving to 70 in FY26, implying receivables of roughly Rs 18 cr on FY26 sales. The clients are US small and mid sized businesses billed by a referral led boutique. In a US downturn, that receivable book is the first place stress would show.

8. EXPANSION AND DEALS: SMALL CHEQUES, SIDE VENTURES, IDLE IPO MONEY

Move	Size	Terms and status
Pune delivery centre	Undisclosed cost	Opened September 4, 2025 at Kalyani Nagar, Pune; VP Delivery appointed alongside; fixed cost added ahead of revenue
Stock split	1:10, face value Rs 10 to Rs 1	Approved August to September 2025; record date October 6, 2025; shares now 10.28 cr
Rish Info Logistics Pvt Ltd	Undisclosed	Incorporated April 16, 2024 as a subsidiary; board approved a loan agreement with it in May 2024; a logistics business inside an IT services group, with no rationale or revenue disclosed
Sigma Accounting Pvt Ltd	33% associate stake	Subscribed in FY24; board approved its sale in December 2024, about a year later; completion not confirmed in sources reviewed
Sigma Solve Inc buyout	Subsidiary buyback	Parent did not participate in the US subsidiary buyback in FY24, lifting its stake from 59.81% to 100%
IPO proceeds	Rs 4.95 cr raised in 2020	Rs 31.57 lakh still unutilised at September 30, 2026, six years on, per the statement of deviation filed November 3, 2026; the objects of the issue were varied by shareholders in 2022

The deal record is churn at the edges and discipline nowhere in particular. None of the side ventures is large enough to damage the balance sheet. Together they describe a promoter group that treats the listed vehicle as a family holding company for experiments, while Rs 31.57 lakh of the money public shareholders actually subscribed for the stated objects sits unused six years later. The amounts are trivial. The habit is the disclosure.

9. ROADMAP AUDIT: WHAT WAS PROMISED, WHAT ARRIVED

Sigma Solve gives no guidance, publishes no order book and has held no earnings call since February 2024, so this audit grades the outlook statements it did make, in its FY25 results commentary and half yearly earnings releases, against delivery.

Commitment	Promised	Delivered	Score
FY26 growth drivers	Continued growth in FY26 from North America, Europe and Middle East expansion and demand for cloud, DevOps and data work	FY26 sales grew 25.5% to Rs 95.62 cr	Met
AI and emerging tech investment	New investment in AI enabled analytics, cybersecurity and blockchain solutions	AI practice is marketed with accelerators and copilots; no AI revenue, client count or investment figure disclosed	Pending, unverifiable
Pune expansion	New delivery and client engagement centre to support a growing customer base	Centre opened September 2025; sales then fell for two quarters and were flat in H1 FY27	Met on delivery, pending on purpose
Mainboard standard disclosure	Migration to the mainboard in June 2023 implied mainboard grade reporting	No concalls since February 2024, no segment or geography split, no explanation of the largest profit item in the company's history	Missed
IPO objects	Rs 4.95 cr raised in 2020 for stated objects, later varied in 2022	Rs 31.57 lakh still unutilised at September 2026	Missed, small in money
Dividend	A final dividend every year	Rs 0.50 a share declared each year on record; FY26 total outflow unresolved between sources after the split	Met on declaration

The audit in one line. When Sigma Solve promises operations, a centre, a split, a dividend, it delivers. When the promise is the harder one a mainboard listing makes implicitly, that public shareholders get numbers they can interrogate, it has not. There is no guidance to miss because none is ever given, which is itself the finding: this roadmap has no public milestones, only outcomes announced after the fact.

10. MANAGEMENT AND GOVERNANCE

A family firm, completely. Prakash Ratilal Parikh is Chairman and Managing Director and holds 20.80%. Kalpana Prakashbhai Parikh, his spouse, is Whole-time Director and holds 20.78%. Pujan Biren Zaverchand holds 15.81% and Biren Harshad Zaverchand holds 15.81%; the Zaverchand family members are classified as foreign promoters, consistent with the US front end origin. The promoters' son, Prerak Prakash Parikh, joined the board as an Executive Director in June 2025, regularised at the September 2025 AGM. Three independents sit among six directors on the FY25 board. The auditor is Mistry and Shah LLP of Ahmedabad, reappointed in the 2026 cycle, with unqualified opinions in the extracts reviewed.

The promoter record has two halves. The good half is unusually clean for a microcap: the holding has not moved from about 73.2% in any quarter since at least March 2021, pledging is explicitly zero, there has been no dilutive fund raise since the tiny IPO, and the dividend has been declared every year. The other half is the history in Sections 2 and 8: three listed years in which the US profit engine was partly owned outside the listco, side ventures in logistics and accounting, idle IPO money, and no investor call in over two and a half years.

Capital allocation is conservative in the large and careless in the small. The group carries almost no debt, returns a dividend, and has never blown the balance sheet on an acquisition. It also parks about half its net worth in an investments book whose gains and losses now move reported profit more than a quarter of services growth does, without publishing the schedule that would let shareholders judge it. Director remuneration was not verified from the FY26 annual report in this pass and is not printed; on a standalone PAT of Rs 6.95 cr, that line is material by construction and belongs on the watch list.

11. COMPETITION: A BOUTIQUE IN A DE-RATING COHORT

Competitor	Position	Quantified comparison (November 5, 2026)
Sigma Solve	US facing IT services boutique, about 250 people	Price Rs 40.77; P/E 13.3x headline and about 18 to 19x core; market cap Rs 419 cr; FY26 sales Rs 96 cr, PAT Rs 24 cr, ROE 36.8%
Ksolves India	Closest comparable: similar size, similar margin, US facing	Price Rs 211; P/E 13.9x; market cap Rs 501 cr; FY26 sales Rs 163 cr, ROE 137%, dividend yield 5.22%; Q2 FY27 revenue fell 4.7% YoY and management guided to a soft year
Saksoft	Digital services at ten times the scale	Price Rs 131; P/E 13.4x; market cap Rs 1,739 cr; FY26 sales Rs 1,007 cr, ROE 19.6%
Kellton Tech	Volume IT services, low margin	Price Rs 11.80; P/E 6.9x; market cap Rs 630 cr; FY26 sales Rs 1,217 cr at 11% operating margin, ROE 13.6%

The cohort context cuts both ways. Every name in this table is priced between about 7x and 14x headline earnings, and the closest peer, Ksolves, is also shrinking in FY27, with its management naming cautious client spending and ramp downs. Sigma Solve's revenue stall is a sector condition in late 2026, not a company specific collapse, and its 30% operating margin is at the top of this peer set alongside Ksolves. But Ksolves pays out most of its profit, yields 5.22%, holds concalls and discloses client concentration. Sigma Solve at a higher core multiple offers none of those. On core earnings it is the most expensive name in its own peer table.

12. STRENGTHS

What to watch

Any filing that explains the Rs 8.97 cr of Q1 FY27 other income, and the Q3 FY27 sales line: a return to double digit growth would rebuild the case, while a fall in FY27 sales would cut the score.

- 1. A fortress small cap balance sheet: net worth of Rs 77.07 cr, borrowings of Rs 2.01 cr, investments of Rs 39 cr, and operating cash flow positive every year from FY21 to FY26.
- 2. Margin quality few boutiques match: operating margin between 30% and 41% across FY22 to FY26, and 36.4% in the latest quarter, Q2 FY27.
- 3. A promoter record with no leakage at the register level: 73.21% held flat for years, zero pledging in every quarter, no dilutive raises since a Rs 4.95 cr IPO.
- 4. A real delivery footprint: US front end in Florida and Atlanta, delivery in Ahmedabad and Pune, platform partnerships claimed across nopCommerce, Shopify Plus, Microsoft, Snowflake, Salesforce and AWS.
- 5. Growth over the full period is not in doubt: sales compounded at 35% over five years and 20% over three, with FY26 up 25.5%.
- 6. The structural flaw of the early years is fixed: the US subsidiary has been wholly owned since October 2023, so consolidated profit now belongs to listed shareholders in full.

13. WEAKNESSES AND RISKS

The first risk is earnings quality, and it is not close. A single unexplained line, other income of Rs 8.97 cr in Q1 FY27, was 54% of that quarter's profit before tax, arose mostly outside the Indian parent, and swung from negative Rs 0.79 cr to positive Rs 8.97 cr in ninety days. Trailing earnings, the headline multiple and any screen built on them are flattered by an item the company has not described. If the investments book that likely produced it falls instead, the same line runs in reverse.

The second risk is that the growth engine has paused at exactly the wrong moment. H1 FY27 sales grew 0.4%, Q2 FY27 sales fell 8.5%, and the service mix, staff augmentation, web and e-commerce builds, application development, testing and digital marketing, is precisely the work most exposed to AI coding tools doing more of it inside client budgets. The company's AI accelerator response is plausible and entirely unquantified. Its closest peer is shrinking for the same stated reasons, cautious clients and ramp downs, which confirms the weather without excusing the exposure.

The third risk is concentration that the company declines to measure in public. About 60% of revenue is booked in the United States, sold substantially through referrals and partners, to small and mid sized clients whose names, concentration and contract terms are undisclosed. Debtor days already reached 100 once, in FY25. Strategy, sales relationships and the US front end sit with one family, succession is being handled inside it, and institutions hold 0.04% of the register, so there is no anchor investor to force better disclosure.

The fourth risk is the tape itself. The free float is about Rs 112 cr of stock, average daily traded value is about Rs 71 lakh, the shareholder count has risen to 21,488 as the price fell 29% in a year, and the stock trades

37% below its 52 week high. In a register this thin, being right about the business and being able to exit the position are two different problems.

14. VALUATION VS PEERS

At Rs 40.77 (November 5, 2026): P/E 13.3x on trailing EPS of Rs 3.05, and about 18 to 19x on core EPS of about Rs 2.2 excluding other income (DalalBytes estimate), P/B 5.4x on book value of Rs 7.50, dividend yield 1.23%. Shares outstanding 10.28 cr. Market cap about Rs 419 cr.

Company	Price (Rs)	P/E (x)	Market cap (Rs cr)	Note
Sigma Solve	40.77	13.3 headline, about 18 to 19 core	419	FY26 sales Rs 96 cr, OPM 30%, ROE 36.8%
Ksolves India	211	13.9	501	FY26 sales Rs 163 cr, ROE 137%, yield 5.22%
Saksoft	131	13.4	1,739	FY26 sales Rs 1,007 cr, ROE 19.6%
Kellton Tech	11.80	6.9	630	FY26 sales Rs 1,217 cr, OPM 11%

How to read the multiple. The peer band says sub scale Indian IT services are cheap in November 2026. Sigma Solve only looks cheap inside that band if the Q1 FY27 other income is treated as earnings. On the earnings the services business actually produced, it is the most expensive of the four, with the weakest disclosure and the joint weakest recent growth. None of that makes the business bad. It makes the price full until either the other income is explained as repeatable or services growth resumes and re-earns the multiple the honest way.

15. FY2029 SCENARIOS (INR)

Built off FY26 consolidated sales of Rs 95.62 cr and PAT of Rs 24 cr; 10.28 cr shares; assumptions explicit. DalalBytes estimates, not guidance, and the company offers no guidance of its own.

Scenario	Sales CAGR FY26-29	FY29 sales (Rs cr)	FY29 PAT (Rs cr)	EPS (Rs)	Exit P/E	Target (Rs)
Bear	2%	101	19	1.85	13.5x	25
Base	11%	131	28	2.72	17.5x	48
Bull	19%	161	37	3.60	20.0x	72

Bear Rs 25: the stall proves structural, AI tools and cautious US clients hold sales growth to 2%, other income normalises to about Rs 1 cr a year, and PAT margin settles near 19% on delivery cost pressure. The stock de-rates to the middle of the peer band on core earnings, and the investments book and zero debt are the only floor arguments.

Base Rs 48: sales growth resumes at 11% as Pune capacity fills and the AI practice converts marketing into billed work, margins hold near the low 30s, other income contributes modestly and transparently, and PAT reaches Rs 28 cr. A 17.5x exit multiple keeps Sigma Solve at a premium to Kellton and Saksoft for its margin, and at a discount to nothing it has not earned.

Bull Rs 72: the AI and data practice becomes a genuine second engine, sales compound at 19% with operating margin back toward 35%, PAT reaches Rs 37 cr, and the company finally discloses geography, clients and the investments schedule, earning a 20x multiple as a proven compounder rather than a family boutique. Even the bull case requires disclosure the company has never given, which is the point.

16. WHY IT MATTERS

Sigma Solve is the cleanest small case in the current Indian IT de-rating of a question that recurs across the microcap list: what is a trailing multiple worth when the trailing profit contains an item nobody will explain? The business underneath is respectable, a debt free, high margin, referral fed boutique that compounded sales at 35% for five years and fixed its worst structural flaw in 2023. The stock at 52/100 Neutral is not a verdict on the boutique. It is a verdict on the information: at about 18 to 19x the profit the services actually earned, with sales flat and the largest profit line in the company's history undescribed, the buyer is paying a compounder's price for a black box. Boxes that open, with an explained Q1 and two quarters of growth, get re-rated in this library. Boxes that stay shut do not.

SOURCES

- Company filings via BSE and NSE announcement records: Q1 FY27 and Q2 FY27 consolidated and standalone results (Q2 filed November 3, 2026), board outcomes, statement of deviation on IPO proceeds (November 3, 2026), shareholding pattern for September 2026, Pune centre announcement (September 2025)

- Screener.in consolidated and peer pages for SIGMA, KSOLVES, SAKSOFT and KELLTONTEC (November 5, 2026): financials, cash flows, shareholding, pledging, ratios

- MCA extracts via TheCompanyCheck: incorporation and CIN, FY26 revenue, PAT, net worth of Rs 77.07 cr and borrowings of Rs 2.01 cr

- IPO records via IPO Watch and IPO Platform: NSE Emerge IPO of October 2020 at Rs 45, Rs 4.95 cr, Beeline Capital Advisors; NSE official list of companies migrated to the mainboard (June 9, 2023)

- Company site and FAQ (sigmasolve.com): service lines, partnerships as company claims, referral share of revenue, offices; Shopify Partners directory entry for Sigma Solve Inc

- EquityBulls Q1 FY27 results summary; MarketsMojo result analyses (other income share of PBT, Q4 FY26 employee cost, promoter names); EduInvesting filings review (subsidiary timeline, plugin catalogue)

- Ksolves India Q2 FY27 earnings call commentary (October 2026) for peer demand conditions

- Items not verified in this pass and therefore not stated as fact in this report: the nature of the Q1 FY27 other income, the FY26 dividend total outflow, FY26 headcount, director remuneration, the investments schedule, geography and client concentration (none disclosed), and a single source mention of a past SEBI adjudication order and exchange fine