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# EQT-Controlled Indium Software Plans Tuck-In Acquisitions To Sustain Growth

By • Malvika Maloo

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Jagannath Bharadwaj, chief operating officer, Indium Software

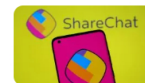
Indium Software, which became a part of Hong Kong-based EQT Private Capital Asia's portfolio recently, aims to sustain a high double-digit growth rate in its topline over the next three to five years with the help of tuck-in acquisitions, a top executive told VCCircle.

"We will continue to grow anywhere between 30 to 50% for the next three-five years. That's our goal," Jagannath Bharadwaj, chief operating officer of [Indium Software](#), told VCCircle in an interaction.

Indium Software reported a 56% rise in consolidated revenue in FY23 to Rs 362.4 crore, despite a high base -- the topline had grown 78% in the preceding year. The compounded annual growth rate over the past three years was around 50%. The company ended FY23 with profit after tax of Rs 53.2 crore.

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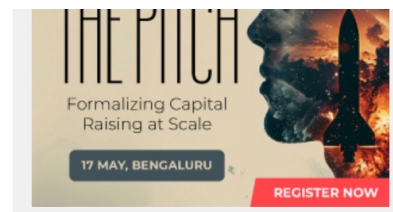


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“There will be some tucked-in acquisitions, to fit the clients’ needs,” said Bharadwaj. “There also will be some adjacent services that we would want to take up because we want to support the client in an enterprise way.”

“We will also look at companies to help us improve our scale and access (new) clients as well,” he added.

The company is starting to evaluate its options but has not made any decision so far, said Bharadwaj.

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While there are no limitations on the size of the acquisition and the decision will depend on the opportunity, Indium does aim to merge the targets, meaning acquisitions are likely be small in size, he said.

“We are starting to evaluate, but a lot of things have to fall in place for these to happen. So it is subjective.”

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Bharadwaj does not see overall milder growth in the Indian IT industry affecting the company.

“Even when other companies are giving very moderate or even almost flat projections, we will be able to grow within the range (because of) the strong niche recall within the market we have for developing strong engineering solutions,” said Bhardwaj.

India’s IT and tech services sector went through a bleak 2023, amid a weak demand, especially from the US, that also resulted in subdued hiring. Last month, IT services provider Accenture even cut its FY24 revenue forecast, which is expected to reflect on the other companies in the sector too.

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Chennai-based Indium Software, co-founded in 1999 by Ram Sukumar and Vijay Balaji, provides solutions, including product development, low-code development, data engineering and gaming technology to its clients.

With a team of about 3,000, it is primarily focused on financial and tech services with clients such as Oracle, Siemens, Toyota, Atlas Air, Bain & Company and Brighton Health Plan.

“We have already started thinking about catapulting the two segments,” said Bharadwaj. “In addition, we are also starting to invest in healthcare, lifesciences, manufacturing, logistics and retail, to bring in the domain flavour on top of our offerings.

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In terms of geography, North America is the company's primary market, with about 90% of its revenue coming from the region, and is likely to be the company's focus in the near future too, with some investment in nearby areas in Latin America.

“Majority of our investment and strategy on scaling and even the acquisitions will be towards North America, while there could be one or two in other geographies.”

In December 2023, [EQT Private Capital Asia](#), then known as BPEA [EQT](#), acquired a majority stake in Indium through its mid-market growth fund, its second investment through the vehicle, which reportedly reached a first close of \$400 million last year.

At the time of investment, EQT said it will draw on its tech services playbook to support the company, having invested nearly \$11 billion in the sector in Asia. M&A is a part of this playbook to grow Indium's capabilities in the coming five years.

“We were looking for a private equity firm that has access to capital and a network through which we can scale our global footprint,” said Bharadwaj.

The Indian information technology sector has been a hot area for PE firms over the last few years. American buyout giants Blackstone and Carlyle, the UK's Apax Partners and India's True North are among some large PE firms that have invested in IT firms here.

In October, True North had invested around \$75 million in iLink Digital for a minority stake. Similarly, growth-stage investor A91 Partners had backed a Chennai-based IT services firm Kaar Tech. In May, Apax Partners agreed to acquire travel and logistics service provider IBS Software for \$450 million.

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# Accel Leads Series B Funding In Compliance Automation Startup Sprinto

By • K Amoghavarsha  
09 Apr 2024



Sprinto founders Girish Redekar (left) and Raghuveer Kancharla

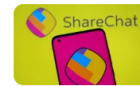
Sprinto Technology Pvt Ltd, which operates the compliance automation startup Sprinto, has raised \$20 million (Rs 166 crore) from existing investors in a Series B funding round.

Multi-stage venture capital firm [Accel](#) led the round that also saw participation from [Elevation Capital](#) and [Blume Ventures](#).

With this, the startup has raised \$31.8 million so far.

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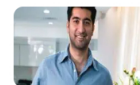
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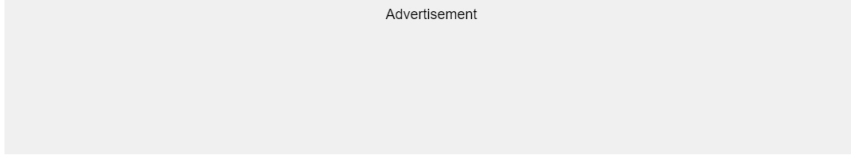
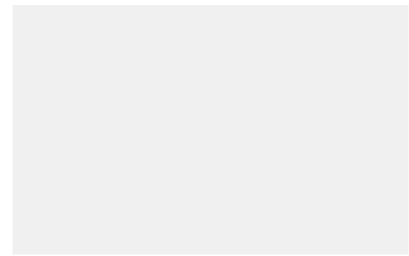
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In 2022, the startup raised \$10 million in Series A funding led by Elevation Capital with participation from Accel, and Blume Ventures.

Sprinto will use the fresh funds for research and development, with a focus on intelligent automation and artificial intelligence. The startup will also use the funds to expand into new markets.

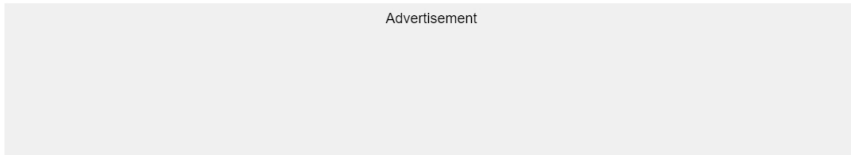
Founded in 2020 by Girish Redekar and Raghuv eer Kan cherla, Sprinto helps software-as-a-service (SaaS) companies obtain compliances, such as SOC 2, ISO27001, GDPR and HIPAA, among others.



“Companies are increasingly dependent on third and fourth parties to provide mission-critical services – from payroll processing to managed web hosting. Compliance serves as a way of seeding good security behaviors that help maintain security while ensuring high operating standards, service levels and risks under control,” said Redekar, co-founder and chief executive officer, Sprinto.


This is the second investment in the compliance management space in two weeks. Earlier, Riversys Technologies Pvt Ltd, which runs governance, risk, and compliance-focused SaaS startup Scrut Automation raised \$10 million in a strategic funding round from existing investors Lightspeed, MassMutual Ventures and Endiya Partners.

“Sprinto is helping companies focus on their core business by making compliance low-touch, automated, and efficient. With an understanding of the product and a focus on execution, Sprinto has been on a growth trajectory,” said Shekhar Kirani, partner, Accel.



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