IPO NOTE

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HEXAWARE TECHNOLOGIES LIMITED

11.02.2025

SUBSCRIBE

Canara Bank Securities Ltd
A Wholly Owned Subsidiary Of Canara Bank

- Hexaware Technologies Limited are a global digital and technology services company with AI at its core, leveraging technology to drive innovation and support their customers in their digital transformation and operational strategies.
- Their AI-driven solutions are embedded across all offerings, supported by a suite of platforms and tools that enable businesses to adapt, innovate, and optimize in an AI-first world.
- Their operations are structured into six industry-focused segments: Financial Services, Healthcare & Insurance, Manufacturing & Consumer, Hi-Tech & Professional Services, Banking, and Travel & Transportation.
- They offer five key service categories—Design & Build, Secure & Run, Data & AI, Optimize, and Cloud Services—delivered through AI-powered platforms like RapidX™ for digital transformation, Tensai® for AI automation, and Amaze® for cloud adoption.
- With a presence across the Americas, Europe, and the Asia-Pacific (including India and the Middle East), they serve a diverse customer base, including 31 Fortune 500 companies. Their global delivery network consists of 39 delivery centers and 16 offices across these regions. As of September 30, 2024, they had a workforce of 32,536 employees in 28 countries, spanning multiple nationalities, languages, and regulatory environments.
- Their capabilities are further enhanced through strategic partnerships that expand their service offerings and market reach.
- They serve prominent enterprises across the industries in which they operate. According to the Everest Report, these include:
    - ♦ 11 of the top 50 global asset management firms by assets under management (“AUM”);
    - ♦ 3 of the top 10 global life sciences firms by market capitalization;
    - ♦ 5 of the top 20 global insurers by market capitalization;
    - ♦ 3 of the top 5 global manufacturing organizations by market capitalization;
    - ♦ 4 of the top 50 global retail and CPG organizations by revenue;
    - ♦ 6 of the top 20 global hi-tech companies by market capitalization;

Issue Details

Price Band (in ₹ per share)	674-708
Issue size (in ₹ Crore)	8239.80-8750.00
Fresh Issue (in ₹ Crore)	NA
OFS (in ₹ Crore)	8239.80-8750.00
Issue open date	12.02.2025
Issue close date	14.02.2025
Tentative date of Allotment	17.02.2025
Tentative date of Listing	19.02.2025
Total number of shares (lakhs)	1223.16
No. of shares for QIBs (50%) (lakhs)	603.85-604.56
No. of shares for NII (15%) (lakhs)	181.15-181.37
No. of shares for S-HNI (33%) (lakhs)	60.38-60.46
No. of shares for B-HNI (66%) (lakhs)	120.77-120.91
No. of shares for retail investors (35%) (lakhs)	422.69-423.19
No of shares for Employee Reservation (lakhs)	14.83-14.04
Minimum order quantity	21
Face value (in ₹)	1.00
Amount for retail investors (1 lot) (in ₹)	14154-14868
Maximum no. of shares for Retail investors at Lower Band	294 (14 lots)
Maximum no. of shares for Retail investors at Upper Band	273 (13 lots)
Maximum amount for retail investors at lower band - upper band (in ₹)	198156-193284
Minimum no. of shares for sHNI (2 Lakhs) at upper band	294 (14 lots)
Maximum no. of shares for sHNI (10 Lakhs) at upper band	1407 (67 lots)
Minimum number of shares for bHNI at upper band	1428 (68 lots)
Exchanges to be listed on	BSE & NSE

Promoters

CA MAGNUM HOLDINGS

Objects of the Offer

The Company proposes to utilise the Net Proceeds towards funding the following objects:

(i) to carry out the Offer for Sale of equity Shares of face value of ₹1 each aggregating up to ₹ 87,500 million by the Promoter Selling Shareholder

(ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges.

BRIEF FINANCIALS

PARTICULARS (Rs. Cr) *	9MFY24	FY23	FY22	FY21
Share Capital^^	60.7	60.7	60.4	60.3
Net Worth	4876.00	4230.90	3778.10	3503.70
Total Revenue	8820.0	10380.3	9199.60	7177.70
EBITDA	1391.10	1589.90	1400.90	1199.80
EBITDA Margin (%)	15.80	15.30	15.20	16.70
Profit/(Loss) After Tax	853.30	997.60	884.20	748.80
EPS (in Rs.)	14.12	16.45	14.65	12.43
Net Asset Value (in Rs.)	80.32	69.77	62.61	58.15
Total borrowings	-	-	82.70	-
P/E#	37.61^	43.04	NA	NA
P/B#	8.81	10.15	NA	NA

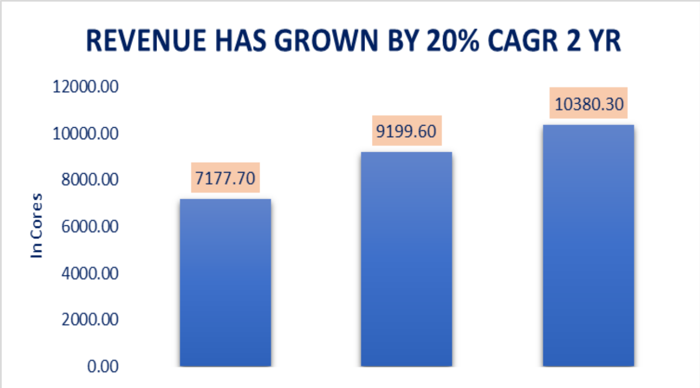
**Restated consolidated financials; #Calculated at upper price band; ^Annualised; FY-December ending (Calender year) as per RHP*

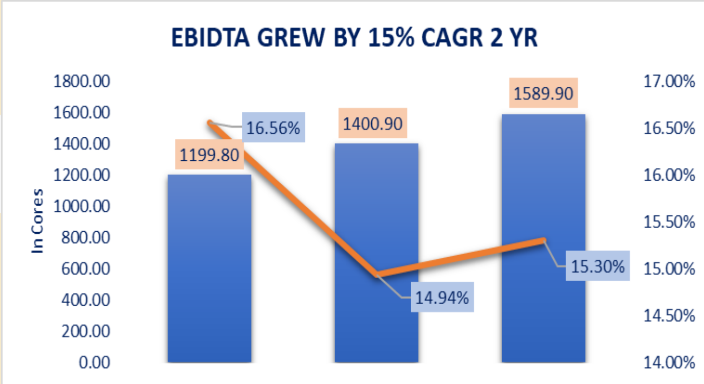
Profit & Loss Statement (December Year ending)			
Particulars (In Crores)	**Dec-21**	**Dec-22**	**Dec-23**
INCOME			
Revenue from operations	7177.70	9199.60	10380.30
Other Operating Revenue	66.90	179.20	8.80
Total Income	**7,244.60**	**9,378.80**	**10,389.10**
YoY Growth (%)	-	28.17%	12.83%
Employee benefit expenses	4277.20	5558.20	6128.20
Employee Expenses-% of Revenue	59.04%	59.26%	58.99%
Other expenses	1767.60	2419.70	2671.00
Other expenses-% of Revenue	24.63%	26.30%	25.73%
EBIDTA	**1199.80**	**1400.90**	**1589.90**
EBIDTA Margin (%)	16.56%	14.94%	15.30%
Depreciation and amortisation expense	224.10	244.40	283.60
EBIT	**975.70**	**1156.50**	**1306.30**
EBIT Margin (%)	13.47%	12.33%	12.57%
Finance cost	34.50	33.50	37.80
Profit before tax	941.20	1123.00	1268.50
Tax expenses			
Current tax	211.80	254.50	283.00
Deferred Tax	-19.40	-15.70	-12.10
Total tax expenses	**192.40**	**238.80**	**270.90**
Profit for the year	**748.80**	**884.20**	**997.60**
PAT Margin (%)	10.43%	9.61%	9.61%
Earnings per share			
Basic earnings per share (₹)	12.43	14.65	16.45

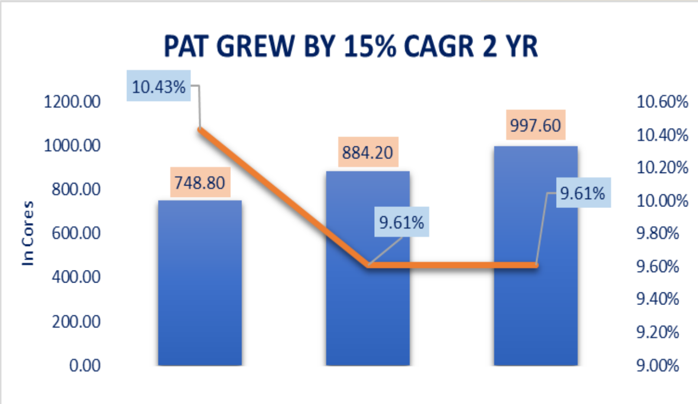
Cashflow Statement (December Year ending)			
Particulars (In Crores)	**Dec-21**	**Dec-22**	**Dec-23**
Cash generated from operating activities	1181.70	1064.10	1773.50
Income tax paid (net of refunds)	-201.90	-243.50	-257.90
Net cash generated from operating activities	979.80	820.60	1515.60
Net cash used in investing activities	-224.60	-15.10	-299.60
Net cash used in financing activities	-602.00	-721.10	-750.10
Net increase/ (decrease) in cash and cash equivalents	**153.20**	**84.40**	**465.90**
Balance as at beginning	1011.40	1178.70	1291.60
Exchange difference on translation of foreign currency cash and cash equivalents	14.10	28.50	15.90
Cash and cash equivalent as at year end	**1178.70**	**1291.60**	**1773.40**

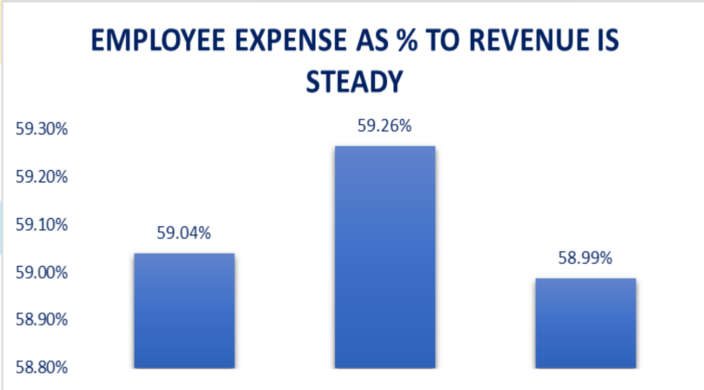
Balance Sheet (December Year ending)			
Particulars (In Crores)	**Dec-21**	**Dec-22**	**Dec-23**
Assets			
Non-current assets			
Property, Plant and Equipment	599.40	598.50	525.70
Capital work in progress	12.10	6.30	55.20
Right-of-use assets	397.00	387.80	376.10
Goodwill	1225.20	1420.50	1429.00
Other intangible assets	169.70	180.70	122.70
Financial assets			
Investments	0.30	0.30	0.40
Other financial assets	69.70	57.00	66.00
Deferred tax assets (net)	210.50	260.30	272.70
Income tax assets (net)	28.40	34.40	43.90
Other non-current assets	28.90	116.30	108.70
Total non- current assets	**2741.2**	**3062.1**	**3000.4**
Current assets			
Financial assets			
Investments	122.40	-	250.60
Trade receivables	-	-	-
Billed	1019.30	1384.60	1386.30
Unbilled	347.60	497.20	459.50
Cash and cash equivalents	1178.70	1291.60	1773.40
Other bank balances	22.40	11.20	10.30
Other financial assets	56.20	17.90	11.50
Income tax assets (net)	11.10	7.70	30.60
Other current assets	174.60	241.70	279.50
Total current Asset	**2932.30**	**3451.90**	**4201.70**
Total assets	**5673.5**	**6514**	**7202.1**
Equity and liabilities			
Equity			
Equity Share Capital	60.30	60.40	60.70
Other Equity	3727.60	4062.60	4574.50
Total equity	**3787.90**	**4123.00**	**4635.20**
Liabilities			
Non-Current liabilities			
Financial Liabilities			
Lease Liability	324.40	306.80	315.10
Other financial liabilities	1.30	63.20	16.60
Deferred tax liabilities (net)	0.00	0.00	0.00
Provisions	103.60	66.30	79.40
Other non-current liabilities	3.50	0.00	0.00
Total Non-Current liabilities	**432.80**	**436.30**	**411.10**
Current liabilities			
Financial liabilities			
Borrowings	-	82.70	-
Lease liabilities	49.90	67.00	78.50
Trade payables	387.70	535.70	659.50
Other financial liabilities	476.60	631.70	678.90
Other current liabilities	286.10	323.90	332.70
Provisions	142.40	182.10	228.70
Income Tax Liability	110.10	131.60	177.50
Total Current liabilities	**1452.80**	**1954.70**	**2155.80**
Total liabilities	**1885.60**	**2391.00**	**2566.90**
Total equity and liabilities	**5673.5**	**6514**	**7202.1**

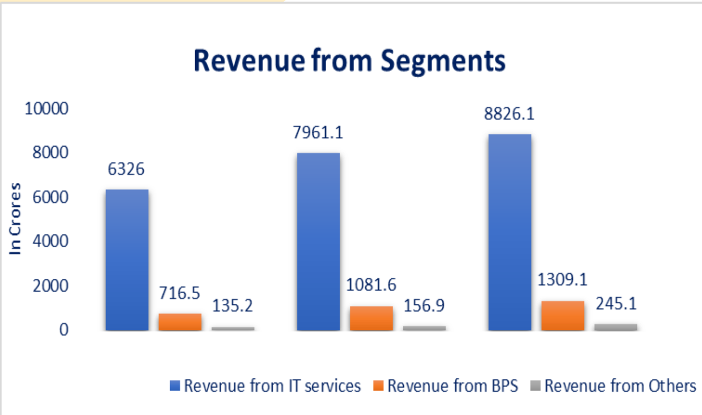
PERFORMANCE THROUGH CHARTS OF PAST 3 YEARS– DECEMBER YEAR ENDING

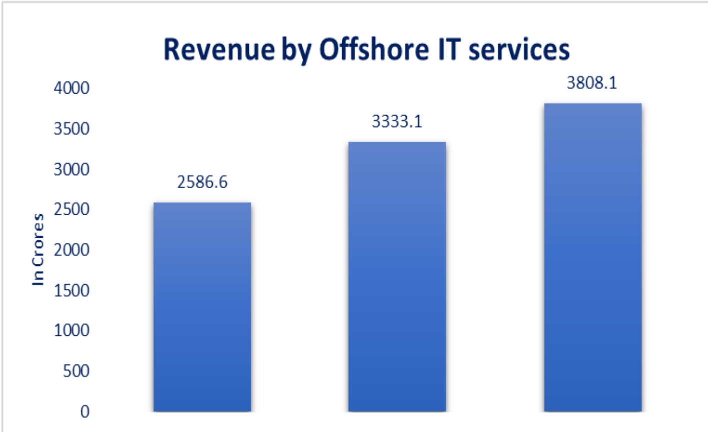


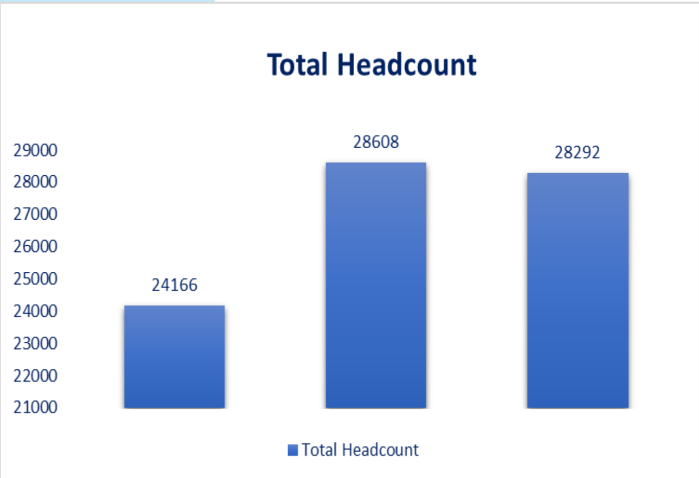


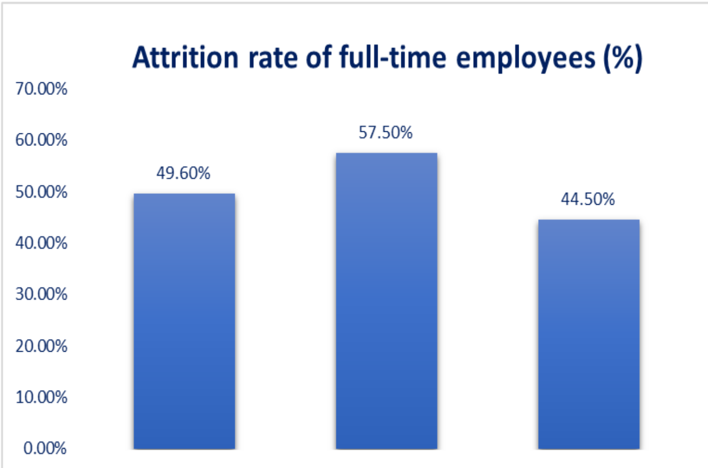












INDUSTRY REVIEW

Global Enterprise Technology Services Market Overview

The global enterprise technology services market is projected to reach ₹343.0 trillion (US$ 4,107.5 billion) by CY2029.IT services are expected to grow at a CAGR of 7.2% and BP services at a CAGR of 2.5% for the period CY2024-29E.

Outsourcing vs. In-House Teams

- **Insourcing/In-House Teams:**
  - Enterprises may opt to retain services in-house to maintain control over critical business functions.
  - In-house teams ensure domain-specific contextualization and help address governance, quality, and security concerns.
  - This model offers a more integrated approach to core business operations and strategic goals.
- **Outsourcing:**
  - Outsourcing provides enterprises access to superior talent and the ability to scale quickly.
  - It offers on-demand availability of pre-built solutions, intellectual property, tools, and accelerators.
  - Outsourcing delivers knowledge of industry best practices, cost efficiencies, and a competitive edge.

India's stable government and incentives such as Special Economic Zones (SEZs) make it a prime location for outsourcing services.

India's Role in the Global Market and Digital Services Spend

- India constitutes 55-65% of the ₹1.3-1.7 trillion (US$ 15-20 billion) opportunity in the global capability center (GCC) market as per Everest Group estimates.
- The digital services segment is expected to account for 33.8% of overall enterprise technology services spend in CY2024 and will grow to 44.5% by CY2029.
- The overall digital services spend is projected to reach ₹152.7 trillion (US$ 1,828.7 billion) by CY2029.

Outsourced spend within the digital services segment is expected to reach ₹37.4 trillion in CY2024, which is 40% of total digital services spend.

Key Drivers of Industry Growth

1. Accelerated Cloud Adoption Post-Pandemic

- The COVID-19 pandemic reshaped business models, leading to accelerated cloud adoption due to its flexibility, scalability, and cost benefits.
- Cloud solutions provide businesses with the ability to innovate rapidly, enhance stakeholder experiences, and improve responsiveness.

2. Increasing Adoption of Data & AI Solutions

- Enterprises are integrating AI-driven solutions for automation, enhanced decision-making, and personalized experiences.
- Generative AI (Gen AI) has gained significant traction, with 83% of global enterprises adopting or testing AI for production-grade use cases.
- Enterprises often outsource data and AI implementation to access expertise and scalable infrastructure.

3. Heightened Cybersecurity Needs

- With the rise of remote work and digital reliance, enterprises are investing heavily in advanced cybersecurity solutions to protect against rising cyber threats.
- There has been a significant increase in cyber attacks, with the exfiltration of data rising from 40% in 2019 to 80% in 2022.

Due to a shortage of skilled professionals in cybersecurity, enterprises are increasingly relying on third-party service providers.

4. Cost Optimization & Profitability

- Cost optimization is a priority for enterprises, with 62% of participants in the Everest Group's 2024 Key Issues Study identifying it as a key business priority.
- Enterprises are utilizing cloud computing, automation, and data analytics to optimize costs and enhance profitability. Managed services are becoming a critical tool to manage IT infrastructure while focusing on core business activities.

5. Propensity to Transform Operating Models

- Enterprises are moving towards integrated platforms that offer seamless operations, real-time communication, and scalability.
- Service providers are playing a key role by offering expertise in platform development, maintenance, and optimization.

6. Shift to Sustainable Business Models

- There is a growing focus on integrating sustainable practices to meet regulations and gain market differentiation.
- Enterprises are investing in energy-efficient data centers, green cloud computing, and leveraging IoT and AI for real-time monitoring and predictive maintenance.
- The sustainability services market grew by 21% in 2023 compared to 2022.

7. Evolving Partner Ecosystem

Increased partnerships with platform players are enabling service providers to enhance their offerings in cloud migration, digital transformation, and AI-driven solutions.

Headwinds and Challenges in the Industry

1. Pricing and Margin Pressures

- Cost pressures are expected to increase due to economic uncertainty, delayed project approvals, and reduced budgets for IT services.
- Enterprises are renegotiating rate cards, adjusting scope, payment terms, and focusing on automation to optimize costs.

2. Talent Shortages

- The rapid advancement of emerging technologies has created a skills gap, especially in areas like AI, cybersecurity, and data analytics.
- The demand-supply gap is particularly severe in areas like advanced analytics and AI, with some talent gaps exceeding 40%.

3. Strong Adoption of In-House Centers

- 48% of enterprises are shifting towards insourcing models, such as Global Capability Centers (GCCs), to gain greater control over operations and security.
- This trend reduces demand for traditional outsourcing services, challenging service providers to innovate and adapt.

COMPETITIVE STRENGTHS OF THE COMPANY

DEEP DOMAIN EXPERTISE DELIVERED THROUGH COMPREHENSIVE SOLUTIONS ACROSS INDUSTRIES

They provide comprehensive services across six industries: Financial Services, Healthcare and Insurance, Manufacturing and Consumer, Hi-Tech and Professional Services, Banking, and Travel and Transportation. Their expertise spans various sub-verticals within each sector, addressing unique customer needs.

Key offerings include:

- **Design & Build**: Product launch and core transformations with digital technologies.
- **Secure & Run**: Optimizing IT operations across cloud, data, and applications.
- **Data & AI**: Building data foundations to drive insights through AI and machine learning.
- **Optimize**: AI-powered business process services for personalized interactions and automation.

  Cloud Services: Strategy, modernization, and managed cloud services.

They have seen consistent revenue growth, with four segments generating over $200 million in FY2023. Strategic partnerships, like those with ServiceNow and Backbase, enhance their service capabilities. Recognitions include multiple ISG Star of Excellence™ Awards and recognition as a top IT service brand globally.

AI-LED DIGITAL CAPABILITIES AND PLATFORMS BUILT IN-HOUSE WITH INNOVATION AS A STRATEGIC PILLAR

They've developed three AI-driven digital platforms to create value for their customers:

- **RapidX™:** A Gen AI-based platform for modern software engineering, enhancing the entire software development lifecycle (SDLC). RapidX™ accelerates tasks like reverse engineering legacy code and requirements elaboration, improving efficiency and quality across the SDLC.
- **Tensai®:** An automation platform for transforming IT processes, enabling secure, rapid code releases and AI-driven operations. Tensai® boosts agility, efficiency, and employee experience by automating operations and reducing human dependency.
- **Amaze®:** A cloud migration and transformation platform that streamlines cloud readiness assessments, data, and apliction modernization. Amaze® helps automate the cloud journey, enabling customers to leverage AI's transformative potential.

They prioritize innovation, holding 20 patents, 119 trademarks, and several domain names. Their innovation labs in Chennai, Amsterdam, and Berlin enhance service delivery and efficiency.

AI and Gen AI are integral to their solutions and internal operations, with 78% of their active IT workforce trained in Gen AI. Their DecodeAI and EncodeAI frameworks guide the assessment and implementation of Gen AI, improving business processes while ensuring data security and regulatory compliance.

LONG-TERM AND EMBEDDED RELATIONSHIPS WITH DIVERSIFIED BLUE-CHIP CUSTOMER BASE

- They serve a broad customer base, including 31 Fortune 500 companies. In FY2023, 62% of their revenue came from customers with over US$5 billion in revenue, and 83% came from those with over US$1 billion in revenue. Their operations are diversified across geographies, including the Americas (73%), Europe (20%), and Asia Pacific (6%). Additionally, they have a presence in the Middle East, Africa, and Latin America, and their business spans several sectors: Financial Services, Healthcare and Insurance, Manufacturing and Consumer, Hi-Tech, Banking, and Travel and Transportation.
- Revenue from the Americas remains the largest contributor, followed by Europe and Asia Pacific. In terms of customer base, no single customer accounted for over 10% of their revenue in FY2023 or the nine months ending September 30, 2024. Their top 5, top 10, and top 20 customers contributed 25.8%, 35.7%, and 49.4% of their revenue, respectively.
- They maintain strong, long-term relationships with their customers. The average tenure with their top 5, 10, and 20 customers was around 15 years in FY2023. Their business model benefits from multi-year contracts, providing revenue stability, billing visibility, and opportunities for cross-selling services.
- Their customer-centric approach is reflected in their Net Promoter Score (NPS), which increased from 54 in 2023 to 72 in 2024, outperforming the industry median of 42.

RISK FACTORS

RISK OF GEOGRAPHICAL CONCENTRATION

- A significant portion of their revenue from operations, 73.4% for the nine months ended September 30, 2024, and 71.5% for FY 2023, is derived from the Americas, while 20.5% and 22.1% come from Europe for the same periods.
- Their business is concentrated in these regions, and any adverse economic conditions, such as an economic slowdown or inflation, could impact their operations and financial performance. Additionally, changes in regulatory environments, political instability, or economic downturns in these regions could affect their customers, leading to contract terminations or reduced business opportunities.
- They also face potential risks from the restructuring or closure of customers due to weaker economic conditions, which could decrease demand for their services. Although they have not experienced significant customer losses in the past few years, any of these factors could negatively impact their business, financial health, and operational results.
- Their customer base in the Americas, Europe, and Asia Pacific includes 107, 53, and 26 customers, respectively, generating at least US$1 million in revenue, indicating their dependency on these regions.

RISK OF SEGMENTAL CONCENTRATION

- For the nine months ended September 30, 2024, they derived 28.3% of their revenue from the Financial Services segment and 21.2% from the Healthcare and Insurance segment. Similarly, for FY 2023, these segments contributed 27.2% and 21.7% of their revenue, respectively. Any negative developments in these segments could impact their financial performance.
- In the Financial Services segment, a significant portion of their revenue (95.1% in 2024) comes from existing customers, while in the Healthcare and Insurance segment, 94.4% of the revenue is from existing customers. However, both segments also show growth in new customer revenue, highlighting the potential for future expansion.
- Factors such as economic changes, including high interest rates, inflation, and trends in the industries of their customers, could affect their spending and, in turn, reduce demand for their services. Additionally, reliance on venture capital funding among some customers means that any reduction in such funding could lead to a reduction in their outsourced technology expenditures, which could negatively affect their business.
- While they have not experienced significant customer loss in these segments recently, any of these factors could adversely impact their operations and financial results.

ATTRITION CONCERNS

- Their business relies heavily on attracting, retaining, and effectively utilizing skilled professionals, particularly in IT, sales, and marketing. The competition for such talent is intense, especially in regions like the Americas, Europe, and Asia Pacific, where they operate. If they fail to attract and retain qualified employees, it could negatively impact their ability to deliver high-quality services, which would adversely affect their growth and profitability.
- The voluntary attrition rate of their IT business professionals has decreased from 23.2% in FY2022 to 11.3% in FY2024, reflecting improvements in employee retention. However, attrition rates remain a concern, particularly among BPS business professionals, where attrition has been higher (81.0% in FY2024). While BPS employees are more easily replaceable, their high turnover still represents a risk.
- Their expansion plans involve hiring employees across various regions, including India, the US, Canada, Mexico, Poland, and the UK. Any failure to attract skilled personnel in these regions could disrupt their ability to staff projects and meet customer expectations. Furthermore, high attrition could result in increased recruitment and training costs, affecting operating efficiency, margins, and productivity.
- While BPS turnover does not significantly impact the business due to the replaceability of these roles, the overall high attrition rate in their full-time IT and BPS employees (43.6% in FY2024) remains a challenge. Involuntary attrition, particularly among IT professionals, is also a concern and could affect their ability to maintain project quality and operational stability.

PEER COMPARISON

Name of the company	Revenue from Operations (in Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
Hexaware Technolo-	10380.30	1	16.45	69.77	23.60	43.04	10.15
Persistent Systems	9821.60	5	72.44	321.82	22.10	82.73	18.62
Coforge Limited	9179.00	10	131.56	586.63	23.00	63.95	14.34
LTIMindtree Limited	35517.00	1	154.85	676.55	22.90	37.41	8.56
Mphasis Limited	13278.50	10	82.42	465.33	17.70	33.80	5.99

***P/E & P/B ratio based on closing market price as of February 10th, 2025, at the upper price and of IPO, financial details consolidated audited results as of CY23.**

BUSINESS INSIGHTS

Business Overview

- The company specializes in AI-driven digital transformation, catering to Fortune 500 clients through six core solutions: IT modernization (RapidX™), AI-powered automation (Tensai®), cloud migration (Amaze®), cybersecurity (Secure & Run), business insights (Data & AI), and workflow optimization (Optimize).
- Operates 39 delivery centers globally with a strong presence in high-growth sectors like Healthcare and BFSI, contributing 45% of total revenue.

Financial & Operational Performance

- Reported a 20% revenue CAGR (FY21-24), ranking among the top three in industry growth.
- Cash flow conversion improved from 56% in CY2022 to 89% in CY2024, demonstrating strong operational efficiency and cash generation.
- 60-65% of revenue comes from $1 million+ clients, ensuring revenue stability and long-term engagements.
- Europe is a key growth driver, while APAC benefits from new leadership and strategic joint ventures to accelerate expansion.

Operational Strengths

- The company is recognized for its outsourcing software services and Data & AI capabilities, competing directly with TCS and Infosys.
- Reports the lowest attrition rate in the industry and the highest Glassdoor rating, indicating strong employee satisfaction and a stable workforce.
- Offshore mix is currently 44% (vs. the industry average of 50%), providing scope for cost optimization and improved margins.
- Utilization stands at 85%, with room for further efficiency gains to improve profitability.

Challenges & Risks

- Margins faced pressure in CY21 due to pandemic-related disruptions and in CY22 due to rising travel, visa, and workforce expansion costs.
- Current margins (~15%) are lower than industry peers but expected to normalize over time as cost efficiencies improve.
- Faces strong competition from established players like TCS and Infosys, which could pressure pricing and client acquisition.
- The project-based expense model limits cost capitalization, making margin expansion structurally challenging.
- High ongoing investments in AI and cloud solutions may keep digital technology costs elevated in the near term.

Growth Outlook & Future Prospects

- A strong deal pipeline with multiple smaller outsourcing and digital transformation projects ensures sustained revenue growth.
- Europe continues to be a key revenue contributor, while APAC expansion is gaining traction through leadership changes and joint ventures.
- RapidX™ offers a distinct advantage by understanding legacy system logic rather than just rephrasing code, making it similar to Co-Pilot.
- AI and cloud-driven solutions align with rising industry trends in digital transformation and automation.

OUR VIEW

The company is a leader in outsourcing software services and Data & AI solutions, effectively competing with industry giants like TCS and Infosys. It is gaining market share in key sectors such as Healthcare and BFSI, which contribute 45% of its revenue. The company boasts exceptional employee retention, with the lowest attrition rate in the industry and a top Glassdoor rating, indicating strong employee satisfaction and stability. Additionally, its offshore mix is at 44%, below the industry average, presenting opportunities for cost optimization and margin improvement. With a utilization rate of 85%, there is further potential for operational efficiency and margin expansion.

The company has a robust deal pipeline, focusing on smaller outsourcing and digital transformation projects that are expected to drive steady revenue growth. Europe plays a crucial role in contributing to the company's revenue growth, while APAC benefits from recent leadership changes and strategic joint ventures, which support regional expansion. The company's innovative AI and automation platforms, such as RapidX™, which understands legacy system logic, give it a competitive edge. Its AI-driven solutions and cloud adoption capabilities align with the rising demand for digital transformation across industries, positioning the company for long-term growth and success. With a strong market position, innovative offerings, and efficient operations, the company is well-positioned for continued expansion and profitability.

The company's strong market position and operational strengths are clear, but the delisting concerns persist, even though its P/E of 43x as of CY23 is lower than its peers, offering potential for value appreciation.

Hence, we recommend to SUBSCRIBE the issue for long-term gains.

Sources: Company website and red herring prospectus

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Canara Bank Securities Ltd.

(A Wholly Owned Subsidiary of Canara Bank)

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