

Genxai Analytics IPO

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- The company is engaged in providing technology-driven enterprise performance and analytics solutions.
- While it posted growth in its top and bottom lines for the reported periods, the quantum jump marked in bottom lines raise eyebrows.
- It is operating in a highly competitive and fragmented segments.
- Based on its recent financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus/risk seekers may park moderate funds for medium term.

About the Company

GenXai Analytics Ltd. (GAL) is a technology-driven provider of enterprise performance and analytics solutions that enable organizations to streamline workflows, improve system performance, and enhance operational efficiency. The company integrates data and processes across finance, sales, operations, customer management and human resources into unified systems, enabling teams to work with a single source of information and make operational decisions more efficiently.

To enable these outcomes, the Company offers a suite of AI-enabled workflow and analytics tools such as AI assisted recommendation and content-generation tools, which are designed to integrate with existing IT infrastructures to automate workflows and support data-driven decision-making. Its service offerings span across enterprise planning, data engineering, analytics, application development, and generative Artificial Intelligence (AI) led solutions. These offerings are aligned with increasing enterprise adoption of cloud platforms and AI enabled decision systems to improve planning accuracy and operational responsiveness. (Source: D&B Report).

GAL serves organizations in consumer goods, manufacturing, retail, technology, telecommunications, and BFSI sectors, delivering planning and analytics solutions tailored to their operational and data environments. (Source: D&B Report). Technology, media and telecommunication segment has the lion share in its total revenue.

Across industries, enterprises are increasingly utilizing advanced automation and analytics tools to optimize their business outcomes and improve operational efficiency. Accordingly, there is a growing emphasis on security and governance across enterprise IT environments, which is contributing to increased investment in cloud modernization, data platforms, and integrated planning systems. (Source: D&B Report)

The Company operates in the Indian IT-BPM and enterprise technology services landscape. This segment has shown consistent growth in its revenue over the past several years and is expected to continue its upward trajectory. This growth is being driven by increased digital adoption and modernization across sectors including BFSI, manufacturing, healthcare, retail, and government. Among these sectors, BFSI remains a significant contributor to enterprise technology and analytics investment and continues to drive demand for cloud-based services, digitization of core systems, and data-driven decision support. (Source: D&B Report)

In pursuit of diversification, GAL has adopted a combination of organic development and inorganic expansion through selective acquisitions of entities with established delivery infrastructure and domain expertise aligned with our service focus areas. The company has 10 subsidiaries to take care of varied aspects of its operations. As of March 31, 2026, on a standalone basis it had had a total strength of 116 employees (including 14 contractual consultants).

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 4728000 equity shares of Rs. 10 each to mobilize Rs. 54.84 cr. at the upper cap. The company has announced a price band of Rs. 110 - Rs. 116 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The IPO opens for subscription on June 05, 2026, and will close on June 09, 2026. The IPO constitute 26.35% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. From the net proceeds of the IPO, it will utilize Rs. 7.20 cr. for working capital, Rs. 3.00 cr. for repayment/prepayment of certain borrowings, Rs. 28.37 cr. for capex on development of new products, and the rest for general corporate purposes.

The company has reserved 180000 equity shares (worth Rs. 2.09 cr. at the upper cap) to its eligible employees and offering them a discount of Rs. 10 per share. It has also reserved 240000 equity shares (5.08%) for the Market maker. From the rest, it has allocated not more than 50% for QIBs, not less than 35% for Retail investors and not less than 15% for HNIs.

The IPO is solely lead managed by Choice Capital Advisors Pvt. Ltd., and Bigshare Services Pvt. Ltd., is the registrar to the issue. CHOICE group's Choice Equity Broking Pvt. Ltd., is the market maker as well as a syndicate member.

After issuing initial equity capital at par value. It raised further equity shares in the price range of Rs. 20 - Rs. 4365 between March 2008 and September 2025. It has also issued bonus shares in the ratio of 61 for 1 in October 2025. The average cost of acquisition of shares by the promoters is Rs. 1.47, and Rs. 2.84 per share.

Post-IPO, company's current paid-up equity capital of Rs. 13.22 cr. will stand enhanced to Rs. 17.94 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 208.15 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted total income/ net profit, of Rs. 16.61 cr. / Rs. 0.84 cr. (FY23), Rs. 24.21 cr. / Rs. 2.65 cr. (FY24), Rs. 28.88 cr. / Rs. 6.55 cr. (FY25). For 9M of FY26 ended on December 31, 2025, it earned a net profit of Rs. 13.31 cr. on a total income of Rs. 64.47 cr. The sudden boost in its bottom lines from FY24, and sharp jump for FY25 and 9M-FY26 is really a surprising one. It appears to an inflated data to pave the way for fancy valuations for the IPO.

For the last two fiscals, the company has reported an average EPS of Rs. 3.28, and an average RoNW of 81.39%. The issue is priced at a P/BV of 4.99 based on its NAV of Rs. 23.26 per share as of December 31, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 11.73, and based on FY25 earnings, the P/E stands at 31.78. The issue appears fully priced, based on its bumper earnings for 9M-FY26, which may not be sustained. On other parameters it is aggressively priced issue.

For the reported periods, the company has posted PAT margins of 5.09% (FY23), 11.02% (FY24), 23.16% (FY25), 16.58% (9M-FY26), and RoCE margins of 71.25%, 70.70%, 70.26%, 51.33%, respectively, for referred periods. The outperforming margins and higher debt equity ratio compared to its listed peers raises concern over its sustainability going forward.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown AION-Tech Solutions, and Latent View Analytics, as its listed peers. They are currently trading at a P/E of NA and 33.7 (as of May 29, 2026). They are not truly comparable on an apple-to-apple basis. This compare appears as an eyewash.

Merchant Banker's Track Record

This is the 10th mandate from Choice Capital Advisors in the last four fiscals (including the ongoing one). Out of the last 9 listings, all listed with a premium ranging from 0.01% to 90.00% on the listing date.

Conclusion / Investment Strategy

GAL is engaged in providing technology-driven enterprise performance and analytics solutions. While it posted growth in its top and bottom lines for the reported periods, the quantum jump marked in bottom lines raise eyebrows. It is operating in a highly competitive and fragmented segments. Based on its recent financial data, the issue appears aggressively priced. Only well-informed/cash surplus/risk seekers may park moderate funds for medium term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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