

May 23, 2025

I-Exceed Technology Solutions Private Limited: [ICRA]BBB-(Stable)/[ICRA]A3; assigned

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Long term/ Short term – Fund based/ non fund based Proposed Bank facilities	75.00	[ICRA]BBB-(Stable)/ [ICRA]A3; Assigned
Total	75.00	

*Instrument details are provided in Annexure-I

Rationale

The assigned rating factors in the extensive experience of I-Exceed's promoters in the information technology and enabled services (ITeS) industry, the company's long relationship with its clients over the years and diversified customer and geographical presence. The company has reported healthy revenue growth momentum over the last three fiscals, as reflected by a 5-year CAGR of 17.8% (ending FY2025) and a sustained improvement in the operating margins, which rose to 21.7% in FY2025. I-Exceed generates steady internal accruals and has healthy debt coverage metrics and capitalisation ratios.

The rating is, however, constrained by I-Exceed's moderate scale of operations and sectoral concentration risks with revenue generated from the banking segment. Further, the company's working capital intensity is high with the inherently elongated receivable cycle in the business. The rating also considers inherent risks like competition, vulnerability of earnings to foreign currency fluctuations, talent acquisition and retention, and exposure to regulatory measures in its key operating markets.

The Stable outlook on I-Exceed's rating reflects ICRA's opinion that the company will continue to benefit from the extensive experience of its promoters in the industry and established relationships with its customers, which will support revenue growth and accrual generation over the near-to-medium term.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in the IT service Industry – Incorporated in 2011, I-Exceed is led by its founders, Mr. Sundararajan Sambandham, Mr. Kapil Gupta and Mr. Joseph John, along with an experienced senior leadership team with extensive experience in the IT products and services industry. Over the years, the company has steadily grown its revenues, benefiting from more than three decades of experience of the founders in the industry.

Reputed and diversified client base with healthy repeat business – I-Exceed's clientele includes reputed PSU and international BFSI companies such as Central Bank of India, National Bank of Fujairah, Bank of Maharashtra, Credit Access Grameen Limited, Arab Bank for Investment and Foreign Trade (Al Masraf) among others. A healthy share of business with its existing customers and healthy growth in digitisation in the BFSI segment have led to healthy repeat business for the company over the years. Moreover, the revenues are well diversified with top 10 clients accounting for 36.2% of the overall revenues in FY2025.

Credit challenges

Moderate scale of operations with relatively high receivable position – With an operating income of Rs. 172.4 crore in FY2025, I-Exceed's scale of operations is moderate. Given the nature of business and client mix, the company's receivable cycle is elongated, thus impacting its liquidity position, although it has not witnessed significant bad debt in the past. The company's ability to improve the working capital cycle is critical to improve the liquidity position.

Exposed to sectoral concentration risk – The company is exposed to sectoral concentration risk with the BFSI industry driving its revenues since its inception. While the demand outlook of the sector is stable, supported by push towards digital banking, any sharp fluctuation in the demand environment or regulatory measures can make the company's earnings vulnerable.

Industry-specific challenges like competition, forex risk, employee attrition and exposure to policies in key operating markets – The company faces competition from other players in the industry, which limits pricing flexibility to some extent. I-Exceed's profit margins are also exposed to forex risks as more than 40% of its revenues are derived from international markets. Further, the availability and retention of a skilled workforce continue to be a key challenge. The company also remains exposed to macroeconomic uncertainties and any adverse regulatory/legislative changes in its key operating markets of Middle East and North Africa (MENA) and domestic markets.

Liquidity position: Stretched

The liquidity of the company is stretched, affected by the elongated receivable cycle in the business. It has working capital limits of Rs. 40.6 crore, which are currently being fully utilised, leaving minimal buffer. Its ability to enhance its working capital limits, while improving its operational cash flow, will be critical to improve the liquidity position.

Rating sensitivities

Positive factors – The ratings may be upgraded if the company is able to further scale up its business profitably while materially improving its receivable cycle and maintaining sufficient and durable liquidity buffers.

Negative factors – Pressure on I-Exceed's ratings could emerge from sustained deterioration in revenues and earnings, or a further weakening of its liquidity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology IT – Software & Services
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of I-Exceed Technology Services Private Limited, including its subsidiaries and step-down subsidiaries as mentioned in Annexure – II.

About the company

I-Exceed Technology Solutions Private Limited (I-Exceed) was incorporated in May 2011. It is a fintech company that helps banks and financial institutions in their digital banking needs. This is done using their flagship product, Appzillon, which consists of Appzillon Digital Banking and Appzillon Digital Banking Platform. It was founded by Mr. Sundararajan Sambhandam, Mr. Kapil Gupta and Mr. Joseph John, who together hold ~81.5% stake in the company, and is headquartered in Bangalore, India. The company also has offices in Mumbai and Salem in India. It has overseas offices in Dubai, Singapore, the US, the UK and Greece.

Key financial indicators (audited)

Consolidated	FY2024 (Audited)	FY2025 (Provisional)
Operating income	150.9	172.4
PAT	10.2	24.0
OPBDIT/OI	14.9%	21.7%
PAT/OI	6.7%	13.9%
Total outside liabilities/Tangible net worth (times)	2.9	2.6
Total debt/OPBDIT (times)	2.0	1.3
Interest coverage (times)	4.1	7.7

Amount in Rs crore; Source: Company, ICRA Research; Financial ratios in this document are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; total debt includes lease liabilities

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current rating (FY2026)			Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. Crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	
				May 23, 2025	-			
1	Proposed bank facilities	Long term/ Short term	75.00	[ICRA]BBB- (Stable)/ [ICRA]A3	-	-	-	

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term/short term – Fund based/Non fund based Proposed bank facilities	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Proposed Bank facilities	NA	NA	NA	75.00	[ICRA]BBB-(Stable)/ [ICRA]A3

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
I-Exceed Technology Solutions Private Limited	100.00%	Rated Entity
I-Exceed Technology Solutions Pte Limited	100.00%	Full Consolidation
I-Exceed Technology Solutions Inc	100.00%	Full Consolidation
I-Exceed Technology Solutions UK	100.00%	Full Consolidation

Source: Company

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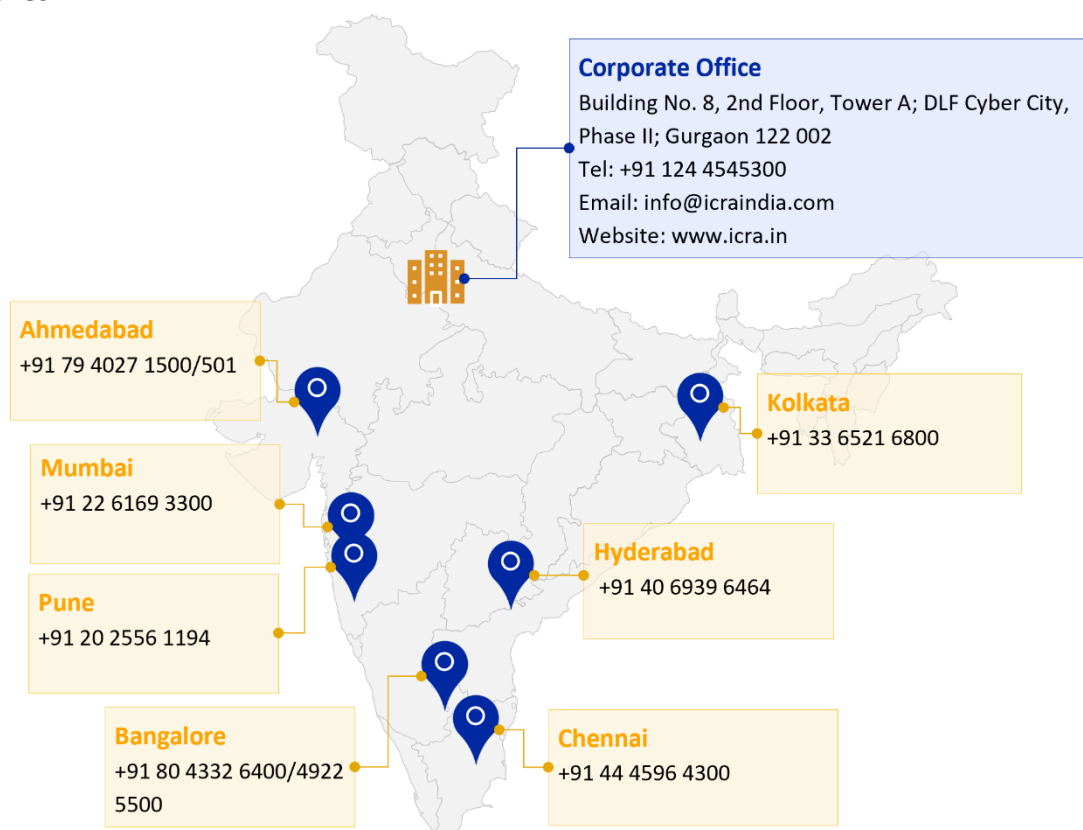
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