

Rating:



Issue Summary:

Issue Size (Rs)	540 cr
Number of Share	1.25 cr
Price band (Rs)	360-432
Market Lot	34 Equity Share
Face Value (Rs)	10
Opens	21 st Mar, 2016
Closes	23 rd Mar, 2016
Listing	BSE, NSE

OFFER

QIB portion	75%
NIB portion	15%
Retail portion	10%

Book Running Lead Managers

➤ SBI CAPITAL MARKETS LTD.
➤ ELARA CAPITAL (INDIA) PVT. LTD.

Registrar

➤ LINK INTIME INDIA PRIVATE LTD.

Company Profile

Infibeam Incorporation is an e-commerce company focused on developing an integrated and synergistic e-commerce business model. It owns and operates the Infibeam BuildaBazaar (BaB) e-commerce marketplace, which provides cloud based, modular and customizable digital solutions and other value added services to enable merchants to set up online storefronts. As part of its integrated e-commerce ecosystem, it operates Infibeam.com, a multi-category e-retail website. Its integrated business model enables it to provide comprehensive, multi-channel and multiscreen value added services to merchants.

Objects of the Issue

- Setting up of cloud data centre and purchase of property for shifting of the registered and corporate offices of the company.
- Setting up of 75 logistics centres.
- Purchase of software.
- General corporate purposes.

Investment Positives

- Integrated e-commerce business model;
- Advanced and scalable technology;
- Established e-retail operations in India;
- Association with established brands;

Risk & Concern

- Significant fluctuation in revenue;
- Dependence on third party for logistics services;

Outlook

The company (on consolidated basis) has been in negative as regard to profit for last three fiscals with a negative average EPS of Rs 4.56. From FY 2012 to 2015 its top line jumped from Rs 129.19 crore to Rs 295.22 crore. Its losses that also kept surging from FY 2012 to 2014 from Rs 10.82 crore to Rs 26.89 crore reduced to Rs 9.78 crore for FY 2015. However, for H1 FY 16, the company has earned net profit of Rs 6.58 crore on a turnover of Rs 174.63 crore. The company intends to purchase new software, strengthen its software development capabilities to introduce additional value added service offerings, and enable its customers and third party service provider's access to its application program interfaces to build out their own customized mobile applications that seamlessly integrate transaction management to the online storefront of its customers. Moreover, the company continues to target increasing average revenue per merchant by developing higher revenue offerings by expanding its international footprint and managing operating margins by leveraging customized offerings developed for its enterprise clients to offer similar services to small and medium sized customers. It also intends to expand its logistics infrastructure, to provide additional logistics support as a value added service to its merchants.

Source: Company Data Ace Equity, Aриhant Research

Arihant Research Desk

E. research@arihantcapital.com
T. 022-42254865

Head Office

#1011, Solitaire Corporate park,
Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road,
Chakala, Andheri (E).
Mumbai - 400093
Tel: (91-22) 42254800
Fax: (91-22) 42254880

Registered Office

E-5 Ratlam Kothi
Indore - 452003, (M.P.)
Tel: (91-731) 3016100
Fax: (91-731) 3016199

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