

IPO Note

Issue Detail	
Type	100% Book Building
Issue Size	Rs.450 Crore
Offer Price	*Rs 360 - 432/Equity Share
Min App Size	34 Shares
Issue Open	21-Mar-16
Issue Close	23-Mar-16
Shares Offer	1.13 Cr.
Face Value	Rs 10
Lead Mgrs	Elara Capital (India) Pvt ,ICICI Securities Ltd, Kotak Mahindra Capital Company Ltd , SBI Capital Markets Ltd
Listing	NSE,BSE
Registrar	Karvy Computershare Pvt Ltd
Market Cap (Post Issue)	2329.5

No of shares (Post & Pre Issue)	
No of Shares (Pre Issue)	42,560,480
Offer for Sale	
Fresh Issue made	11363636
No of Shares (Post Issue)	53924116

Shareholding Pattern (Pre Issue)	
Promoters Grp	56.77%
Non-Institutions	41.43%
Bodies Corportes	2.05%
Public	

Shareholding Pattern (Post Issue)	
Promoters Grp	44.81%
Non-Institutions	32.70%
Bodies Corportes	1.62%
Public	21%

Bid	
QIB	75%
Non-Institutional	15%
Retail	10%

Company Overview

Infibeam Incorporation Ltd is Ahmedabad, Gujrat based e-commerce company. It is offering cloud-based, modular, customizable and scalable technology platform as well as e-commerce infrastructure and logistics support for a diverse universe of merchants, products and services. Company operates Infibeam.com, one of India's leading multi-category e-retail website. Company has more than 33,489 registered merchants while it sells its own products as well.

Company's business operation is mainly divided into tow part 1. Infibeam BuildaBazaar e-commerce marketplace (customizable online storefront solutions on a scalable platform, including mobile applications, digital product catalogue, content management, promotions handling) & 2. Infibeam.com e-retail site (online shopping website for Indian retail customers). Company has 13 logistics centers across 12 cities in India including in Mumbai, Bengaluru, Delhi, Gurgaon, Kolkata, Hyderabad, Guwahati, Jaipur, Pune, Lucknow, Ahmedabad and Chennai.

Company Stregth

> Company has integrated and operationally synergistic e-commerce business model, comprising the BaB Marketplace, the Infibeam.com e-retail site that provide a competitive advantage of company .

> Infibeam technology services effectively offers various serves across multiple media, channels and customer interface including digital downloading and streaming services and also provides application framework solutions for supply chain and inventory management

> Strong customer relationship with established brands and large enterprises will help Infibeam to further strength their brand, capitalize on business opportunities, increase revenue streams and strategic growth opportunities through wide range of value added service offerings

Competitive Strategy:

> Company is focusing to increased merchant base on the BaB Marketplace. The company has introduced additional VAS (Value added Services) offerings, online and mobile e-commerce solutions.

> Company is focusing to bulid up strong brand name in the market place . Infibeam has launched .ooo domain name to target new and existing customers. It is also planning to produce co-branded prepaid cards and .ooo co-branded credit cards in the future with online redemption of loyalty points.

Objects of the Issue:	
Objects	Amount (Rs in Crs)
Setting up of cloud data centre and purchase of property for shifting and setting up of registered and corporate office of the Company	235.2
Setting up of 75 logistics centres	37.5
Purchase of software;	67
General corporate purposes.	

Recommendation

Infibeam's Management has a traditional 'Business - Profitability' mindset which stands different from other e-commerce retailers which are more focussed on scale and revenues with cash negative stand. Company's buildabazaar confirms of consistency of sales revenue for years to come. The money raised on IPO goes into asset acquisition and hence into Tangible Assets. We feel the kind of focus and plan management has regarding revenue growth should pay off in coming years.

The Valuations appear high and hence patient investors may wait for a lower valuations for investment.

Those having a high Risk Appetite may apply for IPO subscription.

INFIBEAM INCORPORATION LIMITED

Financials

Yearly Profit & Loss Account (Consolidated Figure)

Figure in Rs (Crore)

	31 Dec 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Total Income	218.6	209.1	152.6	129.2	54.5
EBITDA	0.03	(18.68)	(20.61)	(2.72)	2.57
PAT	(9.58)	(26.89)	(24.92)	(10.82)	(18.29)
EBITDA Margin	0.00	(0.09)	(0.14)	(0.02)	0.05
PAT Margin	(0.04)	(0.13)	(0.16)	(0.08)	(0.34)
No of Shares	5.39	5.39	5.39	5.39	5.39
Post Issue Diluted EPS	(2.37)	(4.99)	(4.62)	(2.01)	(3.39)
Price	Rs 360 -432				
P/E(At upper price band)	(86.6)				
P/E(At lower price band)	(72.2)				
EV/EBITDA(At upper price band), X	6691.7				
EV/EBITDA(At lower price band), X	5550.5				
RoE %	(0.02)	(0.33)	(1.03)	(17.14)	(1.60)

Balance Sheet

Figure in Rs (Crore)

	31 Dec 2014	31 March 2014	31 March 2013	31 March 2012	31 March 2011
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	43	40	38	30	30
Reserves and surplus	167	43	-14	-29	-18
Minority interest	0.4	1	2	2	2
Non - current liabilities					
Long-term borrowings	2	4	5	0	1
Other long term liabilities	0	0	0	0	2
Long-term provisions	1	1	0	1	0
Current liabilities					
Short-term borrowings	7	4	37	55	13
Trade payables	19	25	38	5	3
Other current liabilities	32	17	12	3	3
Short-term provisions	1	0	1	0	0
TOTAL	272	135	119	66	36
ASSETS					
Non-current assets					
Fixed assets	70.3	53.0	30.6	18.1	14.1
Non-current investments	0	0	0	0	0
Long-term loans and advances	82	44	38	41	11
Other non-current assets	0	1	0	0	1
Current assets					
Current investment	0	0	0	0	0
Inventories	9	9	5	2	2
Trade receivables	38	17	36	7	9
Cash and bank balances	63	4	4	1	1
Short-term loans and advances	6	5	6	4	0
Other current assets	3	1	1	0	0
Total	272	135	119	74	38