

IPO Note

Identixweb Limited

Recommendation: **NEUTRAL!**

Company Background -

- **Incorporation:** Identixweb Limited was originally incorporated as "Goyani Infra Private Limited" on Jul 28, 2017. The registered office is located at Gujarat, India.
- **Business Activity:** The company offers E-Commerce Store Development, Web App Development, UI/UX Design, Website development, Customize Software Development, support and maintenance with a primary focus on Shopify application development.
- **Revenue Stream:** The company generates majority of the revenue from Shopify Inc.
- **Human Resource:** The company has 64 permanent and contractual employees as on Feb 28, 2025.

Objects of the Issue -

- Investment in marketing to support organization's growth plans in India or Outside India
- Investment into market research and product development through Talent Hiring for the issuer company.
- Investment in Subsidiary, i.e., Munim ERP Private Limited for Product Development through Talent Hiring
- General Corporate Purposes

Promoters Name -

Priyankkumar Jivarajbhai Savani, Ankur Jagdishbhai Lakhani & Hiral Ankurbhai Lakhani

Rationale for recommendation -

- ✓ The PE ratio of 14.57 times makes it fairly priced.
- ✓ The top line, bottom line and profitability margins have increased consistently over the years and looks sustainable.
- ✓ The company had positive CFO for FY22, FY23, FY24 and Sep-24.
- ✓ The company is investing in its subsidiary and expanding its product portfolio.
- ✓ The concentration of customers is very high.
- ✓ The company earns majority of its revenue from exports and has a significant global presence.
- ✓ The company has decent experience in the industry.
- ✓ The management overview is not satisfactory.

IPO Details

Opening Date	Mar 26, 2025
Closing Date	Mar 28, 2025
Allotment Date	Apr 01, 2025
Listing Date	Apr 03, 2025
Stock Exchange	BSE SME
Lot Size	2,000 Shares
Issue Price Per Share	₹54
Issue Size	16.63 Cr.
Fresh Issue	16.63 Cr.
Offer for Sale	-
Application Amt	₹ 1,08,000 (2,000 shares)

INDUSTRY - IT

Avg. P/E ratio (Screener) - 30

	KPIs (In Lakhs)			
KPI's	FY 22	FY 23	FY 24	Sep-24
Revenue	600.09	622.11	632.90	418.95
EBITDA	92.27	215.09	435.04	278.79
Net Profit	75.29	137.67	283.91	197.71
RoCE	72.27%	35.97%	33.82%	15.36%*
ROE	88.76%	29.32%	27.39%	12.54%*
P/E	6.81	24.55	13.99	14.57*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
89.34%	62.99%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	3.86	3.71
BVPS	14.08	29.56
P/E	13.99	14.57
P/BV	3.84	1.83
Mkt Cap (In Cr)	39.75	56.38

*Annualized

Lead Managers -

Beeline Capital Advisors Private Limited

Registrar -

Skyline Financial Services Private Limited

Business Overview -

Identixweb Limited, an IT firm, is involved in providing Software as a service (SAAS) - based digital product solutions. The Company offers E-Commerce Store Development, Web App Development, UI/UX Design, Website development, Customize Software Development, support and maintenance with a primary focus on Shopify application development.

Subsidiary:

- 1. Munim ERP Private Limited** - To carry on the business of software and website designing, development, customization, implementation, maintenance, testing, hosting and benchmarking, designing, developing, testing and dealing in computer software including desktop software and solutions, mobile application, logo, word mark etc.
- 2. Identixweb LLC.** - Engaged into the business of development and marketing Software.

Business Model: The business domain covers – Services (Software development, websites developing) and Products (Shopify apps).

Product Portfolio:

Particulars	Description
Stellar Delivery Date & Pickup	It is a solution for order delivery management. This app works with POS and is best for food, florist shops to manage local delivery and store pickup.
iCart Cart Drawer Cart Upsell	It is used to grow Shopify store's average order size by encouraging customers to buy more with progress bar, free product, buy more save more.
Wholesale Hero & B2B Pricing	It allows to set tiered pricing on wholesale, volume discount, D2C & B2B discounts for wholesalers and retailers on bulk purchase.
TablePress - Data Tables	It allows to create tables that can be embedded into blogs, pages, or text widgets with a simple shortcode.
URL Shortener – SnipIt	It is a URL shortener solution that helps to convert long URLs in to short URLs or pretty links.
Advance Reorder - Repeat Order	It allows to give an option to re order or repeat orders placed previously by customers.
Under Construction Coming Soon	It is a landing page builder that lets you create a coming soon page.
All in One Metafields	It allows to create custom metafields and manage them easily.
Rates by Zipcode iWeb	It will help to add different shipping price to different zones based on the customer's cart total amount and cart total weight.
Hide Payment & Shipping iWeb	It allows to elevate conversion rates by optimizing payment methods and shipping methods based on business needs.
Order Printer	It is a document printing solution for businesses.
WordPress Plugin	WooCommerce upsell plugin, driving more conversions and boosting revenue effortlessly. Enhance customer experience and maximize profits with smart upselling techniques tailored to store.
Slack Application	It celebrates team members' birthdays and work anniversaries.
Product Under Development	
Checkout Upsell	It helps merchants personalize their checkout page using a drag-and-drop editor with customizable blocks, discounts, branding, upsells, free shipping, recommendations, trust badges, and more.
Loyalty and Rewards	It helps the Merchant to create their own loyalty and rewards program to turn first-time customers into lifelong fans.
Munim ERP's Portfolio	
Munim Accounting	It is an accounting software primarily used in India, designed to manage financial transactions, accounts, and reporting for businesses.
Munim GST	Munim GST is a specialized software tailored for businesses in India to manage Goods and Services Tax (GST) compliance effectively.

Revenue Bifurcation:

Particulars	FY 2022		FY 2023		FY 2024		Sep-2024	
	Amt	%	Amt	%	Amt	%	Amt	%
Sales of Product								
Domestic	-	-	-	-	-	-	-	-
Export	295.75	49.28%	399.14	64.16%	540.55	85.41%	247.00	58.97%
Sales of Services								
Domestic	304.34	50.72%	222.96	35.84%	53.12	8.39%	93.65	22.36%
Export	-	-	-	-	39.23	6.20%	78.21	18.67%
Total	600.09	100%	622.10	100%	632.90	100%	418.86	100%

Competition -

- 1. Market Competition:** The industry is competitive where the key factors of competition primarily comprise of product quality, cost, delivery and service, as well as quality and depth of senior level relationships.
- 2. Geographic Competition:** The company faces competition majorly from international manufacturers.
- 3. Barriers to entry:** Low barriers to entry.
- 4. Threat of Substitutes:** High threat of substitutes.
- 5. Bargaining Power of Buyers:** The bargaining power is high with the customers.
- 6. Bargaining Power of Suppliers:** The bargaining power is low with the customers.

Business Strategies -

1. The company intends to broaden portfolio of products and services.
2. The company focuses on expanding relationships with existing customers by helping them solve new challenges and become more engaging, responsive, and efficient.
3. The company intends to focus on being customer-oriented and maintain strong relationships with clients.
4. The company intends to expand operations in the geographies where they have presence and also in other geographies.

Risk Factors -

The company is highly dependent on top 10 customers for their revenue generation constituting to 100%, 100%, 99.66% and 99.18% for FY22, FY23, FY24 and Sep-24 respectively.

The directors/ Key Management have 3 cases against them for tax and other matters amounting to Rs. 4.58 lakhs.

Peer Analysis -

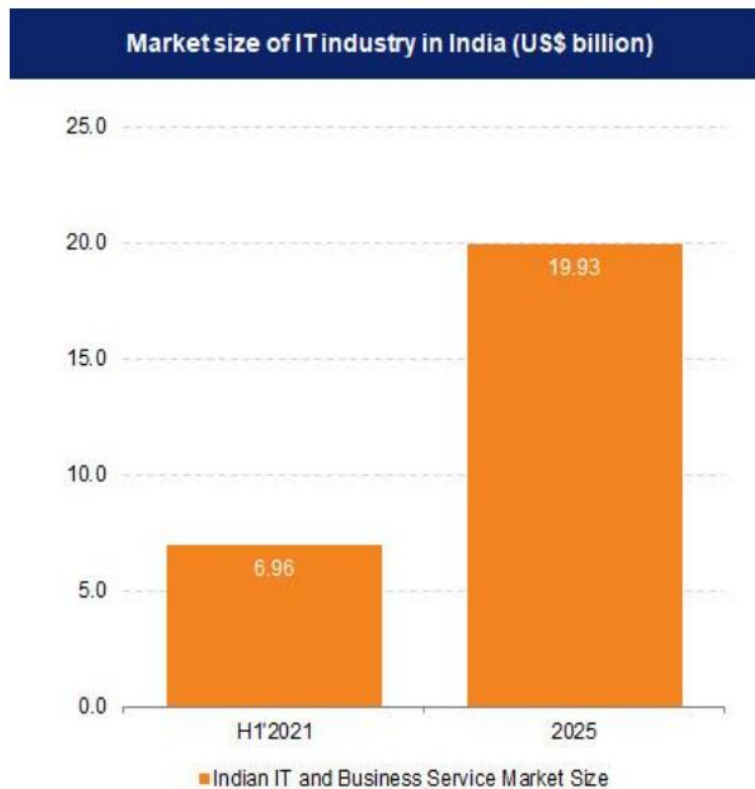
Particulars	Identixweb Limited			Kody Technolab Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	12.55%	22.13%	44.86%	15.89%	26.24%	21.04%
EBITDA Margin	15.38%	34.57%	68.74%	17.71%	40.31%	32.44%
RoCE	72.27%	35.97%	33.82%	77.33%	36.33%	18.57%
ROE	88.76%	29.32%	27.39%	-55.96%	62.31%	13.18%
EPS (INR)	7.93	2.20	3.86	5.66	2.96	3.12
P/E	6.81	24.55	13.99	-	-	152.33

INDUSTRY OVERVIEW -

Indian IT Industry –

India's IT industry is likely to hit the US\$ 350 billion mark by 2026 and contribute 10% towards the country's gross domestic product (GDP). India's technology industry is on track to double its revenue to US\$ 500 billion by 2030.

According to the National Association of Software and Service Companies (NASSCOM), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth and was estimated to have touched US\$ 245 billion in FY23. The IT spending in India is estimated to record a double-digit growth of 11.1% in 2024, totalling US\$ 138.6 billion up from US\$ 124.7 billion last years.



(Source: RHP)

Government Initiatives –

1. In March 2024, The Cabinet approved an allocation of over US\$ 1.2 billion (Rs. 10,300 crore) for the IndiaAI Mission, marking a significant step towards bolstering India's AI ecosystem.
2. Cabinet approved PLI Scheme – 2.0 for IT Hardware with a budgetary outlay of Rs. 17,000 crore (US\$ 2.06 billion).
3. In September 2022, the new Telecommunications Bill 2022 was published for public consultation by the Ministry of Communications as a move toward creating a new telecom framework in India.
4. In August 2022, the Indian Computer Emergency Response Team (CERT-In), in collaboration with the Cyber Security Agency of Singapore (CSA), successfully planned and carried out the "Synergy" Cyber Security Exercise for 13 countries to build network resilience against ransomware attacks.

Road Ahead –

1. India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India.
2. The IT spending in India is estimated to record a double-digit growth of 11.1% in 2024, totalling US\$ 138.6 billion up from US\$ 124.7 billion last years.

Key Management -

Key Management Persons Name -	Priyankkumar Jivrajbhai Savani
Age	34
Designation and No. of years of experience	Promoter, Chairman and Managing Director, 7+ years of experience in Shopify Application and web development
Qualification	Bachelor of Computer Application and Master of Computer Application
Other Directorships	Munim ERP Private Limited

Key Management Persons Name -	Ankur Jagdishbhai Lakhani
Age	34
Designation and No. of years of experience	Promoter and Whole-Time Director, 6+ years of experience in IT, web and application development
Qualification	Bachelor of Computer Application and Master of Computer Application
Other Directorships	Munim ERP Private Limited and Magikcoder Private Limited

Key Management Persons Name -	Hiralben Ankurbhai Lakhani
Age	35
Designation and No. of years of experience	Promoter and Non-Executive Director, 3+ years of experience in graphic and web design
Qualification	Bachelor degree of Arts and Master of Arts (External)
Other Directorships	Magikcoder Private Limited

- The overall management of the company is not satisfactory
- The promoter and management have good experience in the industry.
- There is an evidence of dual chairmanship, which is not favourable.
- Niravkumar Dineshbhai Donda, Archana Madhav Bhayani and Rohitkumar Devrajbhai Dabhi are Non-Executive Independent Directors of the Company. They have an average experience of 6+ years in their respective fields.
- **Abhishek Amrutlal Nakrani (CFO)** holds Degree of Bachelor of Commerce (Special) and Bachelor of Law (Special) and has 2+ years of experience in strategic planning, Finance, taxations and accounts.
- **Pooja Rajat Shah (CS)** has 5+ years of experience.

FINANCIAL SNAPSHOT

Statement of Profit and Loss

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep-24
Revenue from Operations	600.09	622.11	632.90	418.95
Other Income	7.66	4.46	26.80	25.11
Total Income	607.75	626.57	659.70	444.06
Expenses				
Employee Benefit Expenses	438.50	350.48	172.68	81.46
Finance Cost	1.60	5.46	5.43	-
Depreciation and Amortization Expense	17.24	25.01	80.35	37.56
Other expenses	69.32	56.54	100.18	62.87
Total Expenses	526.66	437.49	358.64	181.89
EBITDA	92.27	215.09	435.04	278.79
EBITDA Margin	15.38%	34.57%	68.74%	66.54%
Profit/(Loss) before exceptional items and tax	81.09	189.08	301.06	262.17
Exceptional Items	-	-	75.00	4.17
Profit/(Loss) before tax	81.09	189.08	376.06	266.34
Tax Expense				
Current tax	6.50	50.32	100.89	70.44
Deferred Tax	-0.70	1.09	-8.74	-1.81
Total Tax	5.80	51.41	92.15	68.63
Profit/(Loss) for the year	75.29	137.67	283.91	197.71
Net Profit Margin	12.55%	22.13%	44.86%	47.19%

Statement of Assets and Liabilities

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	1.00	7.15	736.16	736.16
Reserves and Surplus	83.82	462.43	300.29	498.02
Total Equity	84.82	469.58	1,036.45	1,234.18
NON-CURRENT LIABILITIES				
Long-term Borrowings	10.23	45.76	-	-
Long Term Provisions	8.77	13.16	12.35	16.07
Total Non-current liabilities	19.00	58.92	12.35	16.07
CURRENT LIABILITIES				
Short-term Borrowings	5.21	4.24	-	-
Trade Payables				
(a) Total outstanding dues of MSME	8.42	-	-	-
(b) Total outstanding dues of creditors other than MSME	-	-	0.89	2.57
Other Current Liabilities	-	-	0.53	14.11
Short-term Provisions	10.70	82.77	149.65	197.03
Total Current liabilities	24.33	87.01	151.07	213.71
Total Liabilities	43.33	145.93	163.42	229.78
Total Equity and Liabilities	128.15	615.51	1,199.87	1,463.96
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	39.53	149.41	174.70	217.08
Intangible Assets	-	10.24	3.77	2.58
Intangible assets under development	-	-	293.41	398.73

Particulars	FY 22	FY 23	FY 24	Sep-24
Non-Current Investments	-	150.40	0.50	0.50
Long-Term Loans and Advances	1.49	0.41	9.14	10.95
Other Non- current Assets	-	1.15	308.59	520.03
Total Non-Current assets	41.02	311.61	790.11	1,149.87
CURRENT ASSETS				
Trade Receivables	-	-	49.59	173.83
Cash & Cash equivalents	59.50	196.87	321.80	68.70
Short Term Loans and Advances	3.16	85.91	5.74	5.05
Other Current Assets	24.47	21.12	32.63	66.49
Total Current assets	87.13	303.90	409.76	314.07
Total Assets	128.15	615.51	1,199.87	1,463.94

Cash Flow Statement

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep-24
Net Cash Flow from Operating Activities	55.24	153.42	345.69	113.22
Net Cash Flow from Investing Activities	-3.00	-292.22	-448.32	-366.32
Net Cash Flow from Financing Activities	-48.99	276.17	227.52	-

Key Ratios

Per Share Data					Valuation Ratios (x)				
FY 22	FY 23	FY 24	FY 25*		FY 22	FY 23	FY 24	FY 25*	
Diluted EPS	7.93	2.20	3.86	3.71	EV/EBITDA	0.44	1.50	1.64	-0.48
BV per share	848.20	656.54	14.08	29.56	Market Cap / Sales	0.01	0.06	6.28	6.73
Operating Ratios					P/E	6.81	24.55	13.99	14.57
EBITDA Margins	15.38%	34.57%	68.74%	65.55%	Price to Book Value	0.06	0.08	3.84	1.83
PAT Margins	12.55%	22.13%	44.86%	46.20%	Solvency Ratios				
Inventory days	-	-	-	-	Debt / Equity	0.18	0.11	-	-
Debtor days	-	-	28.68	18.98	Current Ratio	3.58	3.49	2.71	2.71
Creditor days	-	-	-	-	Quick Ratio	3.58	3.49	2.71	2.71
Return Ratios					Asset Turnover	4.68	1.01	0.53	0.70
RoCE	72.27%	35.97%	33.82%	15.36%	Interest Coverage Ratio	46.89	34.81	65.32	-
RoE	88.76%	29.32%	27.39%	12.54%					

*Annualized

INTERPRETATION –

1. The top line has increased consistently over the years. It increased by 3.67% in FY23 and it increased by 1.73% in FY24 which was due to increase in sale of products and services.
2. The net profit also increased consistently over the years. It increased by 82.85% in FY23 and by 106.23% in FY24.
3. The EBITDA and PAT margins also increased significantly over the years.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Beeline Capital Advisors Private Limited**.

A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

Beeline Capital Advisors Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Solarium Green Energy Limited	105.04	191.00	Feb 13, 2025	242.30
2.	H. M. Electro Mech Limited	27.74	75.00	Jan 31, 2025	74.41
3.	B.R.Goyal Infrastructure Limited	85.21	135.00	Jan 14, 2025	112.00
4.	Parmeshwar Metal Limited	24.74	61.00	Jan 09, 2025	67.00
5.	Anya Polytech & Fertilizers Limited	44.80	14.00	Jan 02, 2025	21.80
6.	Mamata Machinery Limited	179.39	243.00	Dec 27, 2024	364.95
7.	Toss The Coin Limited	9.17	182.00	Dec 17, 2024	317.15
8.	Nisus Finance Services Co Limited	114.24	180.00	Dec 11, 2024	338.80
9.	C2C Advanced Systems Limited	99.07	226.00	Dec 03, 2024	315.80
10.	SD Retail Limited	64.98	131.00	Sep 27, 2024	98.55

The company has handled 57 mandates in the last three years (including current year).

*CMP for the above-mentioned companies is taken as of 3rd Apr 2025.

As per the offer document, the above-mentioned mandates all have opened at a premium on the listing day.

Recommendation -

Identixweb Limited has been in the industry since 2017 and has decent experience in the industry.

The P/E on a post-IPO annualized basis is around 14.57 times which makes it fairly priced.

The company's management overview is decent.

The company's top line has increased consistently over the years. The net profit and profitability margins have also increased consistently over the years. Also, the company is debt-free. Furthermore, the company had positive cash flow from operations for the last three years which is a good sign. Overall, the financials of the company looks sustainable. But the revenue generated is very low and the margins are quite high.

The concentration of customers is very high and loss of any may have an adverse impact on the business operations.

The company has a diverse portfolio and intends to expand as well with two new products. It earns majority of its revenue from exports and has significant global presence.

Thus, we have a **NEUTRAL** opinion for this IPO and investors can monitor further company updates and make a decision.

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The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

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