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CM RATING 43 /100

# Ivalue Infosolutions

## Uniquely positioned

### Enabling OEMs to reach their target customers by partnering with system integrators

Ivalue Infosolutions(IIFL) is an enterprise technology solutions specialist based out of India, offering comprehensive, purpose-built solutions for securing and managing digital applications and data. It primarily serves large enterprises in their digital transformation by understanding their needs and working with system integrators and original equipment manufacturers (OEMs) to identify, recommend and deploy solutions meeting their requirements, aimed at ensuring performance, availability, scalability and security of digital applications and data.

IIFL enables OEMs to reach their target customers by partnering with system integrators. To this end, IIFL works with system integrators to understand enterprise customers' business and technical requirements, curate customized solutions (including multi-OEM stacks, where solutions from multiple OEMs interact with each other), and assist in procurement and deployment of the required technology solutions by partnering with OEMs, across cybersecurity, information lifecycle management, datacentre infrastructure, application lifecycle management, hybrid cloud solutions and other domains.

The core emphasis revolves around two major assets: data and applications. By specializing in these areas, relying on its technical proficiency and high-touch approach to sales, IIFL curates and provides solutions that address enterprises' needs, particularly in cyber security, information lifecycle management, and data center infrastructure that are crucial for protecting and optimizing these assets.

IIFL also offers technical expertise and a wide range of associated services to system integrators, enterprise customers and OEMs. Services to system integrators and enterprise customers mainly include multi-OEM professional and technical services, implementation and support, 24x7 managed services covering IT infrastructure, cyber security and enterprise service management functions.

IIFL's technology team of 215 employees, who accounted for more than 51% of its total employees as on March 31, 2025, also supports with pre-sales, solution architecture, proof of concept/ demo, implementation and integration services, project management, logistics and accredited training, which help such system integrators and enterprise customers navigate the fragmented, technically challenging and constantly evolving product offerings by OEMs. It assists OEMs with channel development enablement and management, marketing and demand generation, which helps it to maintain and strengthen its relationship with OEMs currently under contract, as well as develop new relationships with OEMs offering innovative solutions.

IIFL is headquartered in Bangalore, with offices across eight locations in India, and operates internationally in Singapore, Bangladesh, Sri Lanka, UAE, Cambodia, and Kenya.

### Object of the offer

The IPO consists of offer for sale (OFS) of Rs 560.3 crore at the higher price band. The OFS by the promoter group comprises up to 38,48,054 shares at the upper price band of Rs 299, amounting to Rs 115.06 crore; up to 1,10,12,539 shares by Sundara (Mauratius) at the upper price band of Rs 299, amounting to Rs 329.3 crore; and up to 38,78,365 by multiple individual investors, aggregating Rs 115.96 crore.

IIFL will not receive any proceeds from the offer as all the proceeds will be received by the selling shareholders, in proportion to the offered shares sold by the respective selling shareholders as part of the offer.

## **Strengths**

IIFL is uniquely positioned in the large and fast-growing technology solutions and associated services market in India and other neighboring economies.

IIFL offers a comprehensive multi-OEM solutions and services portfolio, making it the preferred strategic technology advisor for enterprise technology requirements.

IIFL is a partner of choice for OEMs in India, with strong and expanding OEM relationships across focus areas. Its network of OEM partners grew from 93 as of 31 March 2023 to 109 as of 31 March 2025. Of its 109 OEM partners, 19 were associated with the company for more than 10 years, 38 were associated with it for six or more years, and 84 were associated with it for three or more years by 31 March 2025.

IIFL has a large, expanding and diversified system integrator network, with high retention ratio and repeat business. Its network of system integrators grew from 567 in FY2023 to 804 in FY 2025. Of the 804 system integratorpartners, as on 31 March2025, 287 were associated with the company for each of the last three years.

IIFL's business is led by its experienced promoters Sunil Kumar Pillai, Krishna Raj Sharma, and S Sriram, who have significant experience in the information technology and software solutions sector. The company also benefits from the guidance of an advisory board that includes Dr. Gulshan Rai, former Chief Information Security Officer for thePMO and former National Cyber Security Coordinator for the Government of India, CERT; and Rajesh Janey,former President of Dell EMC.

## **Weaknesses**

Any delay or failure on the part of OEMs for providing products and to maintain relationships with OEMs, or any material changes in the pricing, volume or otherterms of existing agreements with the OEMs could impact operation as IIFL is dependent on the OEMs, which are global technology brands, for its offerings.

Failure to maintain relationships or any loss or reduction of business from system integrators can affect financial performance.

IIFL faces significant competitive pressure from resellers and value-added distributors.

Certain contracts or distribution agreements may have restrictive covenants and can typically be terminated without cause, adversely affecting the business.

IIFLs business is dependent on its ability to attract and retain skilled IT professionals to identify and curate technology solutions. Failure to do so will adversely affect operations.

Experienced negative cash flows from operating activities in FY 2023. Negative cash flows from operating activities in future will affect the financial condition.

IIFL operates in a rapidly evolving industry. If it is unable to capture technological changes by successfully distributing new and enhanced solutions, revenue growth will be affected.

Inability to maintain or enhance the popularity of its brand among brands and customers could adversely impact its business prospects.

Any significant appreciation or depreciation of the Indian rupee against foreign currencies in which the company does business could affect competitiveness in the long-term. In FY2025, 66.2% of the gross sales billed to the customers were through purchases made from OEMs outside India. IIFL earned around 12.5% of its gross revenues from customers outside India.

## Valuation

Consolidated sales were up by 18.3% to Rs 284.3 crore in FY 2025. Growth in revenue was primarily due to increase in the domestic revenue 19.8% to Rs 875.1 crore in FY2025 from FY2024. The OPM dropped 37 bps to 12.37%, resulting in a 14.8% increase in OP to Rs 114.14 crore. OI inclined 31.6% to 19.67 crore. Interest cost increased 4.2% to Rs 13.46 crore and depreciation increased 3.8% to Rs 7.16 crore. PBT stood at Rs 113.19 crore, up 19.7% as against Rs 94.57 crore in FY2024. Tax expenses increased 16.2% to Rs 27.89 crore. Net profit grew 20.5% to Rs 85.58 crore

At the higher price band of Rs 299, the offer is made at a P/E of 18.7 times FY2025 EPS (of Rs 15.98).

IIFL does not have listed peers with similar business-profile. However, Redington distributes tech and mobility products. Rashi Peripherals distributes ICT products and undertakes after-sale services. In comparison, Redington trades at 14.8 times its P/ TTM EPS and Rashi Peripherals trades at 9.3 times its P/TTM EPS.

<b>Ivalue Infosolutions: Issue Highlights</b>	
Fresh issue (in Rs crore)	-
Offer for sale (in Rs crore)	532.19-560.29
Offer for sale (in number of shares)	
- in Upper price band	18738958
- in Lower price band	18738958
Price Band (Rs)	284-299
For Fresh Issue Offer size (in no of shares)	
- in Upper price band	-
- in Lower price band	-
<b>Post issue capital (Rs crore)</b>	
- in Upper price band	10.71
- in Lower price band	10.71
<b>Post issue Promoter and Promoter Group shareholding</b>	
-On higher price band (%)	32.7%
-On lower price band (%)	32.7%
Bid Size (in No. of shares)	-
Issue open date	18/09/2025
Issue close date	22/09/2025
Listing	BSE, NSE
<b>Rating</b>	<b>43/100</b>

<b>Ivalue Infosolutions : Consolidated Financial</b>			
	2303 (12)	2403 (12)	2503 (12)
Sales	796.83	780.23	922.68
OPM (%)	10.44	12.74	12.37
OP	83.19	99.43	114.14
Other inc.	8.96	14.95	19.67
PBIDT	92.15	114.38	133.81
Interest	7.74	12.91	13.46
PBDT	84.41	101.47	120.36
Dep.	4.10	6.90	7.16

PBT	80.31	94.57	113.19
Total Tax	20.39	24.00	27.89
PAT	59.92	70.570	85.30
Minority Interest	-0.07	-0.46	-0.28
Net Profit	59.99	71.03	85.58
EPS (Rs)*	11.20	13.27	15.98
EPS is on post issue equity capital of Rs 10.71 crore of face value of Rs 2 each			
Figures in Rs crore			
Source:Ivalue Infosolutions Issue Prospectus			