IPO REVIEW

Liqvd Digital India IPO

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- The company is engaged in providing effective media solutions leveraging on technology to build brands of the customers.
- It is operating in a highly competitive and fragmented segment.
- The company marked growth in its top and bottom lines for the reported periods.
- Bumper growth for FY26 over FY25 raise eyebrows and concern over its sustainability.
- Based on its recent average financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus investors may park moderate funds for long term.

About the Company

Liqvd Digital India Ltd. (LDIL) - the primary objective of the Company is to provide effective media solutions and leverage on technology to help brands, companies, and businesses identify, target, acquire, and retain the right audience for their products and services. It serves a broad client base, working with large enterprises, mid-sized brands, and direct-to-consumer startups. The Company and AdLift Marketing are present in India with offices in two cities viz. Mumbai and Gurgaon, and a compact inhouse studio in Mumbai with a green screen set up which is used for internal content (founder videos, interviews), and support basic production activities like green screen, editing and voiceover coordination.

AdLift Inc has allowed it to venture abroad into United States of America. The Company's major domestic revenue is derived from Maharashtra. Its Corporate Promoter, Concept Communication Limited ("Concept Communication") is an integrated communication agency with a professional team. The company derives a significant portion of revenue from Concept Communication Limited constituting 12.62% (on consolidated basis), 44.12%, & 14.48% (on standalone basis) of its total revenue from operations in Fiscal 2026, 2025 & 2024 respectively. It is a preferred vendor and have digital partner status for all IPO-related digital media engagements and other consolidated contracts initiated by Concept Communication under a business agreement dated August 28, 2025.

In April 2025, the Company acquired majority stake in AdLift Marketing. AdLift Marketing is digital marketing agency with operations in India and the United States, through its subsidiary AdLift Inc. AdLift Group focuses in SEO & performance marketing which also acts as a forward integration for the Company and enables it to provide the entire spectrum of digital marketing services. It has 4 business verticals under which it provides a wide range of digital marketing solutions.

Company’s project business unit refers to work that is non-recurring in nature and executed as a one-time activity, typically defined by a clear start and end point. Unlike retainer-based engagements, projects are usually specific, goal-oriented assignments where the agency delivers a tangible output within an agreed timeline. Company’s production business unit refers to the executional arm of bringing creative ideas to life through visual and multimedia outputs. Production activities cover all forms of content creation, including still photography, video shoots, drone shoots, podcasts, animation, AI videos, and other production-heavy deliverables that help translate strategy and design into compelling brand stories.

For FY26, its repeat business nosedived to 22.77% from 91.73% for FY25. However, its top line cross Rs. 60 cr. for FY26, against Rs. 24.87 cr. for FY25. As of July 31, 2026, it had overall 172 employees on its payroll (including 119 of AdLift Marketing).

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 7224000 equity shares of Rs. 5 each to mobilize Rs. 39.01 cr. at the upper cap. The IPO consists of fresh equity issue worth Rs. 34.14 cr. (approx. 6322000 shares at the upper cap), and an Offer for Sale (OFS) of 902000 equity shares (worth Rs. 4.87 cr. at the upper cap). The company has announced a price band of Rs. 51 – Rs. 54 per share. The minimum application to be made is for 4000 shares and in multiples of 2000 shares thereon, thereafter. The issue opens for subscription on September 23, 2026 and will close on September 25, 2026. The shares will be listed on BSE SME. The IPO constitute 32.45% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 9.00 cr. for purchase consideration for acquisition of 23.21% stake in AdLift Marketing Pvt. Ltd., Rs. 10.59 cr. for funding capex, operating expenditure and other expenses for establishing full scale video content production hub, Rs. 6.57 cr. for working capital, and the rest for inorganic growth / general corporate purposes.

The IPO is solely lead managed by Indorient Financial Services Ltd., while Bigshare Services Pvt. Ltd. is the registrar to the issue. Shreni Shares Ltd. is a market maker. The IPO is underwritten to the tune of 15% by Indorient Financial Services Ltd., and 85% by Socradamus Capital Pvt. Ltd.

After issuing initial equity capital at par value, the company also issued further equity shares in the price range of Rs. 85 – Rs. 100 per share (On the basis of Rs. 5 FV), between March 2025, and September 2025. It has also issued bonus shares in the ratio of 1 for 1 in September 2025. The average cost of the acquisition of shares by the promoters/selling stakeholders details are missing. However, as per info given in the IPO Ad, average cost of promoters/selling stakeholder is Rs. 2.50, and Rs. 10.50 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 7.97 cr. (15941177 equity shares) will stand enhanced to Rs. 11.13 cr. (22263177 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 120.22 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 18.28 cr. / Rs. 1.90 cr. (FY24), Rs. 25.03 cr. / Rs. 2.25 cr. (FY25), Rs. 60.89 cr. / Rs. 8.03 cr. (FY26). The company posted steady growth in its top and bottom lines for the reported periods. The boosted profits for FY26 (Pre-IPO year) appears a window dressing to fetch fancy valuation for IPO. Higher trade receivable of 23.84 cr. for FY26 raises alarm. Its contingent liability stood at Rs. 0.66 cr. as of March 31, 2026.

For the last three fiscals, the company has reported an average EPS of Rs. 3.18 and an average RoNW of 68.80%. The issue is priced at a P/BV of 2.52 based on its NAV of Rs. 21.45 per share as of March 31, 2026 , and at a P/BV of 1.76 based on its post-IPO NAV of Rs. 30.69 per share (at the upper cap).

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 14.96, and based on FY25 earnings, the P/E stands at 53.47. The issue appears aggressively priced based on its recent average earnings. Bumper profits in pre-IPO Year (FY26), appears a window dressing to fetch fancy valuations for IPO.

The company has posted PAT Margins of 10.54% (FY24), 9.04% (FY25), 13.32% (FY26) and RoCE margins of 47.39%, 14.09%, 44.05%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown R K Swamy, Vertoz Ltd., AdCounty Media, Yaap Digital, as its listed peers. They are currently trading at a P/E of 18.0, 11.9, 9.04, and 16.0 (as of September 22, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 8th mandate from Indorient Financial Services, in the last three fiscals (including the ongoing one). Out of the last 7 listings, 4 opened at discount, and the rest listed with a premium ranging from 20.97% to 90.00% on the listing date. The lead manager has an average track record so far.

Conclusion / Investment Strategy

LDIL is engaged in providing effective media solutions leveraging on technology to build brands of the customers. It is operating in a highly competitive and fragmented segment. The company marked growth in its top and bottom lines for the reported periods. Bumper growth for FY26 over FY25 raise eyebrows and concern over its sustainability. Based on its recent average financial data, the issue appears aggressively priced. This segment is lacking investors fancy. Only well-informed/cash surplus investors may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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