

# Aditya Infotech Ltd

Nifty: 24,681 | Sensex: 80,891

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IPO Note | 29<sup>th</sup> July, 2025

Sector: IT Products

Price Range: ₹640- ₹675

## First-Mover in Domestic Surveillance Solutions...

Aditya Infotech Limited (AIL), established in 1995, is a leading provider of technology-enabled security and surveillance solutions in India (with a market share of ~21% in FY25), operating under its flagship brand “CP Plus”. AIL entered into a joint venture with Dixon Technologies in 2017 to manufacture CCTVs and DVRs, and fully acquired the venture in 2024 through a share swap, granting Dixon a 6.6% stake in AIL. The company also serves as the exclusive super distributor for Dahua Technology in India. AIL operates through 40+ offices, 10+ service centers, a workforce of 970+, and a network of 800+ partners across 500+ towns in India. As of FY25, the company’s manufacturing capacity stood at 17.2 million units, with an overall capacity utilization of 77%.

- ◆ The global video surveillance market is valued at US \$35.9bn in FY25 and is expected to grow at a CAGR of ~10% over FY25-FY30. (Source: Frost & Sullivan).
- ◆ India’s video surveillance market is expected to grow at a CAGR of ~16.5% from ₹106bn in FY25 to ₹227bn by FY30, driven by rising security needs and smart city initiatives. (Source: Frost & Sullivan).
- ◆ Between FY23 and FY25, AIL recorded robust financial growth, with revenue, EBITDA, and PAT growing at a CAGR of 17%, 24%, and 80%, respectively. This performance was driven by rising demand, strong brand recognition, and favourable policy support.
- ◆ The total debt stood at ₹457cr in FY25 (D/E at 0.4x), and upon utilisation of net proceeds from the IPO for debt repayment (~₹375cr), the debt-to-equity ratio will trim down to 0.2x.
- ◆ The return ratios, RoE and RoCE are healthy at an average of ~32% and 28% over the last three years.
- ◆ AIL is positioned to benefit from the recent STQC (Standardization Testing and Quality Certification) norms, leveraging its domestic manufacturing status for faster compliance, government contract access, and market leadership amid rising import restrictions.
- ◆ At the upper price band of ₹675, AIL’s FY25 P/E ratio of 22.5x appears fairly priced. Considering its market leadership, strong brand recall, extensive distribution network, rapid growth in financials, healthy RoE, favourable policy environment and first mover advantage, we assign a ‘Subscribe’ rating with a long-term investment perspective.

## Purpose of IPO

The IPO consists of a fresh issue of ₹500cr and an OFS (offer for sale) of ₹800cr, totalling ₹1,300cr. The net proceeds from IPO will be utilised for repayment/prepayment, in full or in part, of certain borrowings availed by the company (~₹375cr) and general corporate purposes.

## Key Risks

- ◆ ~25% of FY25 revenue is derived from the sale of products by Dahua Technology Pvt Ltd.
- ◆ In FY25, AIL relied heavily on a single supplier, which alone accounted for ~52% of material costs, with the top five comprising ~92%.
- ◆ Reliance on Chinese imports and global commodity prices exposes the business to risks that could impact financial performance.

## Note:

During Sept’24, the company acquired the remaining 50.0% equity shares in AIL Dixon Technologies Pvt Ltd (AIL Dixon) from Dixon Technologies (India) Ltd. Prior to acquisition, AIL Dixon was a joint venture between the company and Dixon Technologies (India) Ltd; wherein the manufacturing of AIL’s products was carried out by the JV. Post this acquisition, the financials of AIL have been consolidated with all operations at the group level and AIL Dixon continues to manufacture AIL’s products. Hence, FY25 financials are not comparable with FY23 & FY24.

Issue Details	
Date of opening	July 29, 2025
Date of closing	July 31, 2025
Total No. of shares offered (cr.)	1.93
Post Issue No. of shares (cr)	11.7
Face Value	₹1
Bid Lot	22 Shares
Minimum application for retail (upper price band for 1 lot)	₹ 14,850
Maximum application for retail (upper price band for 13 lot)	₹ 1,93,050
Listing	BSE,NSE
Lead Managers	ICICI securities and IIFL capital.
Registrar	MUFG Intime India Private Limited ((Link Intime)

Issue size (upper price)	Rs.cr
Fresh Issue	500.0
OFS	800.0
Total Issue	1,300.0

Shareholding (%)	Pre-Issue	Post Issue
Promoter & Promo. Group.	93.12	77.12
Public & others	6.88	22.88
Total	100.0	100.00

Issue structure	Allocation (%)	Size Rs.cr
Retail	10	130
Non-Institutional	15	195
QIB	75	975
Emp. Reservation	-	6
Total	100	1300

Y.E March (Rs cr) Consol.	FY23	FY24	FY25*
Sales	2284.5	2782.4	3111.9
Growth YoY(%)	-	22	12
EBITDA	161	223	247
Margin(%)	7.03	8.01	7.95
PAT Adj.	108.3	115.2	351.4
Growth (%)	-	6.3	205
EPS	9.2	9.8	30.0
P/E (x)	73	68.7	22.5
EV/EBITDA (x)	51.9	37.4	33.8
P/BV(x)	25.4	18.7	7.8

\* Please refer to the Note mentioned below.



## Products Portfolio:



Source: RHP, Geojit Research

### Key strengths:

- ◆ Largest Indian Player in the Growing Indian Security and Video Surveillance Market focusing on Commercial and Consumers Segments with Strong Brand Recall .
- ◆ Pan-India Sales, Distribution and Service Network Catering to a Diversified Customer Base .
- ◆ Comprehensive Portfolio of Electronic Security and Surveillance Products, Solutions and Services, Providing End to End Security Solutions Across Verticals.
- ◆ Advanced Manufacturing and Research and Development Capabilities with Focus on Quality.
- ◆ Entrenched Relationships Augmenting Technology Competencies and Sourcing Capabilities.

### Key strategies:

- ◆ Leverage India's Regulatory Framework for Cybersecurity to Strengthen Market Leadership
- ◆ Continue to Innovate and Introduce New Products and Next Generation of Existing Products, Developing an Ecosystem for Commercial and Consumer Use.
- ◆ Expand Retail Presence through Additional Experience Centres and Stores.
- ◆ Focus on Service Led Model and Enterprise Customers.
- ◆ Increase Production at Kadapa Facility.

## Industry Outlook

The global video surveillance and security market has experienced a significant transformation, marked by the adoption of advanced technologies (like artificial intelligence), integration with complementary security systems, and a shift towards service-based models. Video surveillance is a fast-growing market driven by the need for improved safety and security. From close to \$1.0 billion in Fiscal 2020, the video surveillance market in India reached \$1.3 billion. in Fiscal 2025 with growth until 2030 estimated at a CAGR 16.46%.

### Promoter and promoter group

The Promoters of the company are Hari Shanker Khemka, Aditya Khemka, Ananmay Khemka, Rishi Khemka and Hari Khemka Business Family Trust.

As on the date of the Red Herring Prospectus, the company has eight Directors on Board, comprising of three Executive Directors and five Non executive Directors of which four are Independent Directors, including one woman Independent Director.

### Brief Biographies of directors

- ◆ **Hari Shanker Khemka** is the Chairman and Whole-time Director on the Board of the Company.
- ◆ **Aditya Khemka** is the Managing Director on the Board of the Company
- ◆ **Ananmay Khemka** is a Whole-time Director on the Board of the Company.
- ◆ **Atul Behari Lall** is a Non-Executive Director of the Company.
- ◆ **Himanshu Baid** is an Independent Director on the Board of the Company.
- ◆ **Manish Sharma** is an Independent Director on the Board of the Company.
- ◆ **Ambika Sharma** is an Independent Director on the Board of the Company .
- ◆ **Chetan Kajaria** is an Independent Director on the Board of the Company.

## CONSOLIDATED FINANCIALS

### PROFIT & LOSS

Y.E March (Rs cr)	FY23	FY24	FY25*
Sales	2,284.5	2,782.4	3,111.9
% change	0.0%	21.8%	11.8%
EBITDA	160.5	222.9	247.3
% change	-	38.9%	10.9%
Depreciation	8.9	15.7	31.1
EBIT	151.7	207.2	216.2
Interest	23.2	30.9	41.8
Other Income	11.0	13.5	11.1
Exceptional items	-5.8	-25.2	-248.6
PBT	133.7	164.6	434.1
% change	-	23.1%	163.7%
Tax	34.9	49.4	82.7
Tax Rate (%)	26%	30%	19%
Reported PAT	98.8	115.2	351.4
Adj	9.5	0.0	0.0
Adj. PAT	108.3	115.2	351.4
% change	-	6.3%	205.1%
Post issue No. of shares (cr)	11.7	11.7	11.7
Adj EPS (Rs)	9.2	9.8	30.0
% change	0.0%	6.3%	205.1%

### CASH FLOW

Y.E March (Rs cr)	FY23	FY24	FY25*
PBT Adj.	145.3	164.6	434.1
Non-operating & non cash adj.	15.8	63.3	-167.3
Changes in W.C	-61.0	-357.4	-188.6
<b>C.F. Operating</b>	57.9	-180.3	27.3
Capital expenditure	-7.1	-18.9	-26.5
Change in investment	0.0	-	-
Sale of investment	0.0	0.0	0.0
Other invest.CF	-114.8	135.4	25.3
<b>C.F - investing</b>	-121.9	116.5	-1.2
Issue of equity	-80.0	0.0	0.0
Issue/repay debt	188.8	22.4	1.2
Dividends paid	0.0	0.0	0.0
Other finance.CF	0.3	-66.6	-20.1
<b>C.F - Financing</b>	109.1	-44.3	-19.0
Change. in cash	45.1	-108.1	7.1
Opening Cash	104.6	147.6	128.9
Closing cash	149.7	39.6	136.0

### BALANCE SHEET

Y.E March (Rs cr)	FY23	FY24	FY25*
Cash	371.5	70.6	181.9
Accounts Receivable	615.0	734.3	1039.3
Inventories	511.1	509.2	870.5
Other Cur. Assets	80.4	219.1	264.2
Investments	30.4	1.0	0.9
Deff. Tax Assets	7.5	8.8	21.2
Net Fixed Assets	63.3	69.2	193.1
CWIP	0.2	0.2	16.7
Intangible Assets	7.5	16.0	559.6
Other Assets	22.1	15.8	27.1
<b>Total Assets</b>	<b>1708.8</b>	<b>1644.2</b>	<b>3174.5</b>
Current Liabilities	928.4	627.7	1397.8
Provisions	13.7	17.4	29.5
Debt Funds	426.9	436.3	457.3
Other Fin. Liabilities	24.8	136.0	260.7
Deferred Tax liability	3.4	2.6	11.5
Equity Capital	311.6	424.2	1017.7
Reserves & Surplus	0.0	0.0	0.0
Shareholder's Fund	311.6	424.2	1017.7
<b>Total Liabilities</b>	<b>1708.8</b>	<b>1644.2</b>	<b>3174.5</b>
BVPS (Rs)	26.6	36.2	86.8

### RATIOS

Y.E March	FY23	FY24	FY25*
<b>Profitab. &amp; Return</b>			
EBITDA margin (%)	7.03	8.01	7.95
EBIT margin (%)	6.6	7.4	6.9
Net profit mgn.(%)	4.7	4.1	11.3
ROE (%)	34.8	27.1	34.5
ROCE (%)	34.0	17.1	33.0
<b>W.C &amp; Liquidity</b>			
Receivables (days)	98.3	88.5	104.0
Inventory (days)	98.2	82.0	103.1
Payables (days)	145.2	78.7	157.5
Current ratio (x)	1.7	2.4	1.7
Quick ratio (x)	1.1	1.3	0.9
<b>Turnover &amp; Levq.</b>			
Net asset T.O (x)	36.1	42.0	23.7
Total asset T.O (x)	1.3	1.7	1.3
Int. covge. ratio (x)	6.5	6.7	5.2
Adj. debt/equity (x)	1.4	1.0	0.4
<b>Valuation ratios</b>			
EV/Sales (x)	3.7	3.0	2.7
EV/EBITDA (x)	51.9	37.4	33.8
P/E (x)	73.0	68.7	22.5
P/BV (x)	25.4	18.7	7.8

\* FY25 financials are not comparable with FY23 & FY24. Please refer to the Note mentioned in the first page.



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