

IPO Report

Choice

**“Subscribe for Long Term” to
Brigade Hotel Ventures Limited**
Scalable Hospitality Platform at Fair Pricing.



Salient features of the IPO:

- **Brigade Hotel Ventures Ltd.** (BHVL), Promoted by Brigade Enterprises Ltd., a leading hotel owner and developer in South India, offering upscale hospitality experiences operated by leading global hospitality brands, is coming up with an IPO to raise around Rs. 759.60cr, which opens on 24th Jul and closes on 28th Jul, 2025. The price band is Rs. 85 - 90 per share.
- The company has raised Rs. 126.0cr in a pre-IPO placement, issuing 1.4cr equity shares to 360 ONE Alternates Asset Management Ltd. at Rs. 90 each.
- This public issue is entirely fresh issue (Rs. 759.60cr). From the fresh issue net proceeds and the proceeds from the Pre-IPO Placement, the company will be utilizing Rs 413.69cr for Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by the company; Rs. 54.45cr for Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by Material Subsidiary, namely, SRP Prosperita Hotel Ventures Ltd.; Rs. 107.52cr for Payment of consideration for buying of Undivided Share of Land from the promoter, BEL. Residual proceeds will be used for pursuing inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes.
- Post-IPO, the P&PG and public shareholders will have 74.09% and 25.91% stake in the company, respectively.

Key competitive strengths:

- Strategically located award winning hotels with diversified offerings in the key cities primarily in South India
- Focus on asset management resulting in operating efficiencies
- Focus on environmental, social & governance (“ESG”)
- Strong parentage of Brigade group
- Well positioned to leverage industry tailwinds
- Experienced management team with domain expertise

Risk and concerns:

- Heavy reliance on Marriott-operated hotels
- Geographical revenue concentration in Bengaluru market
- Significant dependence on F&B revenue
- Exposure to seasonal and cyclical business fluctuations
- Competition

Below are the key highlights of the company:

- The travel and tourism sector’s contribution to India’s economy grew from Rs. 15.7tn in 2022 to an est. Rs. 21.2tn in 2024, with a forecast of Rs. 43.3tn by 2034 at a 7.4% CAGR. Foreign tourist arrivals (FTAs) are expected to exceed 30mn by 2037 and 100mn by 2047, while domestic visits are projected to reach 5bn by FY30.
- With growing household earnings and a median age of 28.1 years, the spend on tourism is projected to rise by 170% from USD 150bn spent in calendar year 2019 to USD 410bn in calendar year 2030.
- Incorporated on 24th Aug. 2016, BHVL is an owner and developer of chain-affiliated hotels in key cities in India primarily across South India (comprising the states of Kerala, Andhra Pradesh, Tamil Nadu, Karnataka, Telangana, and the Union territories), operated by global marquee hospitality companies such as Marriott, Accor and InterContinental Hotels Group and are in the upper upscale, upscale, upper-midscale, and midscale segments.
- Promoted by Brigade Enterprises Ltd (BEL), which entered the hospitality sector in 2004, the company benefits from BEL’s strong brand reputation, real estate expertise, and corporate relationships to develop high-quality, cost-efficient hotels in strategic, high-growth locations, often as part of integrated mixed-use developments.
- As of FY25, it has a portfolio of nine operating hotels across Bengaluru, Chennai, Kochi, Mysuru and the GIFT City (Gujarat) with 1,604 keys and average occupancy of 76.76%.

Issue details	
Price band	Rs. 85 - 90 per share
Face value	Rs. 10
Shares for fresh issue	8.440 - 8.936cr shares
Shares for OFS	Nil
Fresh issue size	Rs 759.60cr
OFS issue size	Nil
Total issue size	8.440 - 8.936cr shares (Rs. 759.60cr)
Employee Reservation Portion	0.087 - 0.093cr shares (Rs. 7.596cr)
BEL Shareholders Reservation Portion	0.338 - 0.357cr shares (Rs. 30.384cr)
Net issue size	8.015 - 8.486cr shares (Rs. 721.620cr)
Bidding date	24 th Jul - 28 th Jul, 2025
Implied MCAP at higher price band	Rs. 3,418.47Cr
Implied enterprise value at higher price band	Rs. 3,417.69Cr
Book running lead manager	JM Financial Ltd., ICICI Securities Ltd.
Registrar	KFin Technologies Ltd.
Sector	Hotels and Resorts
Promoters	Brigade Enterprises Ltd.

Category	Percent of issue (%)	Number of shares
QIB portion	75%	6.011 - 6.365cr shares
Non institutional portion (Big)	10%	0.802 - 0.849cr shares
Non institutional portion (Small)	5%	0.401 - 0.424cr shares
Retail portion	10%	0.802 - 0.849cr shares
Indicative IPO process timeline		
Finalization of basis of allotment	29 th Jul, 2025	
Unblocking of ASBA account	29 th Jul, 2025	
Credit to demat accounts	30 th Jul, 2025	
Commencement of trading	31 st Jul, 2025	
Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	95.26%	74.09%
Public	4.74%	25.91%
Non-promoter & Non-public	0%	0%
Total	100.00%	100.00%
Retail application money at higher cut-off price per lot		
Number of shares per lot	166 shares	
Employee discount	Rs. 3 per share	
Application money	Rs. 14,940 per lot	

Key highlights of the company (Contd...):

Company name	FV (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs.)	6M Return (%)	12M Return (%)	FY25 Revenue (Rs. cr)	FY25 EBITDA (Rs. cr)	FY25 PAT (Rs. cr)	FY25 EBITDA margin (%)	FY25 PAT margin (%)
Brigade Hotel Ventures Ltd.	10	90	3,418	3,418	-	-	468	164	24	35.1%	5.1%
Apeejay Surrendra Park Hotels Ltd.	1	156	3,323	3,470	-12.9%	-15.0%	631	205	84	32.5%	13.3%
Chalet Hotels Ltd.	10	934	20,361	22,779	22.2%	8.9%	1,718	736	142	42.8%	8.3%
ElH Ltd.	2	384	24,000	23,353	1.2%	-8.4%	2,743	1,028	770	37.5%	28.1%
Juniper Hotels Ltd.	10	321	7,126	8,565	8.2%	-24.5%	944	337	71	35.7%	7.5%
Lemon Tree Hotels Ltd.	10	157	12,434	14,501	15.6%	6.3%	1,286	634	243	49.3%	18.9%
Samhi Hotels Ltd.	1	241	5,326	7,502	27.9%	34.0%	1,130	406	86	35.9%	7.6%
The Indian Hotels Company Ltd.	1	754	107,068	107,970	-3.4%	19.1%	8,335	2,769	2,038	33.2%	24.5%
Schloss Bangalore Ltd.	10	465	15,531	19,385	-	-	1,301	594	48	45.7%	3.7%
Average										39.1%	14.0%

Company name	4Y top-line growth (CAGR)	4Y EBITDA growth (CAGR)	Average 4Y EBITDA margin	Average 4Y PAT margin	4Y average RoE	4Y average RoCE	Avg 4Y Receivable days	Avg 4Y Inventory Days	Avg 4Y Payable Days	Net Worth	Total Debt	Cash
Brigade Hotel Ventures Ltd.	47.3%	147.1%	26.4%	-9.4%	-33.4%	6.2%	21	5	31	823	781	782
Apeejay Surrendra Park Hotels Ltd.	35.3%	64.6%	29.0%	5.9%	3.9%	9.5%	22	515	235	1,284	168	21
Chalet Hotels Ltd.	50.1%	95.8%	35.9%	7.0%	6.4%	7.5%	20	2168	601	3,046	2,604	186
ElH Ltd.	40.7%		25.2%	15.4%	10.1%	15.0%	36	111	466	4,613	265	912
Juniper Hotels Ltd.	45.1%	72.2%	34.0%	-12.7%	-12.4%	5.3%	27	49	464	2,726	1,457	18
Lemon Tree Hotels Ltd.	47.3%	74.7%	44.7%	4.5%	9.9%	8.8%	24	89	551	1,164	2,148	81
Samhi Hotels Ltd.	51.8%	232.9%	24.9%	-50.1%	23.7%	5.0%	23	22	829	1,142	2,246	70
The Indian Hotels Company Ltd.	39.7%	89.8%	27.4%	13.4%	10.4%	11.5%	28	93	389	11,160	3,084	2,182
Schloss Bangalore Ltd.	50.7%	125.4%	37.5%	-22.0%	4.2%	6.8%	30	11	20	3,556	4,142	288
Average	45.1%	107.9%	32.3%	-4.8%	7.0%	8.7%	26	382	444			

Company name	FY25 RoE (%)	FY25 RoCE (%)	P / E	P / B	EV / Sales	EV / EBITDA	MCAP / Sales	EPS (Rs.)	BVPS (Rs.)	D/E
Brigade Hotel Ventures Ltd.	2.9%	13.0%	144.5	4.2	7.3	20.8	7.3	0.6	22	0.9
Apeejay Surrendra Park Hotels Ltd.	6.5%	12.0%	39.6	2.6	5.5	16.9	5.3	3.9	60	0.1
Chalet Hotels Ltd.	4.7%	11.0%	143.4	6.7	13.3	31.0	11.9	6.5	140	0.9
ElH Ltd.	16.7%	23.0%	31.2	5.2	8.5	22.7	8.7	12.3	74	0.1
Juniper Hotels Ltd.	2.6%	6.0%	100.4	2.6	9.1	25.4	7.5	3.2	123	0.5
Lemon Tree Hotels Ltd.	20.9%	13.0%	51.2	10.7	11.3	22.9	9.7	3.1	15	1.8
Samhi Hotels Ltd.	7.5%	9.0%	61.9	4.7	6.6	18.5	4.7	3.9	52	2.0
The Indian Hotels Company Ltd.	18.3%	17.0%	52.5	9.6	13.0	39.0	12.8	14.4	79	0.3
Schloss Bangalore Ltd.	1.3%	5.7%	325.9	4.4	14.9	32.6	11.9	1.4	106	1.2
Average	9.8%	12.1%	100.8	5.8	10.3	26.1	9.1			0.9

Note: Considered financials for the period during FY22-25 (with IPO adjustments); Source: Choice Broking Research

- The company follows an ownership or lease-based model for hotel assets, partnering with global hospitality brands for operations. It benefit from operating agreements with hotel operators with terms generally ranging from 15 to 20 years. These collaborations provide access to global best practices, operational expertise, and marketing strategies. The company actively monitors performance, sets targets, and implements cost-optimization measures such as space utilization, energy efficiency, shared services, facility upgrades, staffing rationalization, and technology adoption.
- Its hotels provide a comprehensive customer experience including fine dining and specialty restaurants, venues for meetings, incentives, conferences, and exhibitions ("MICE"), lounges, swimming pools, outdoor spaces, spas, and gymnasiums.
- BHVL's hotel portfolio includes a diverse mix of properties strategically located across key cities in India. These include Grand Mercure Bangalore, Sheraton Grand Bangalore at Brigade Gateway, Grand Mercure Mysore, Holiday Inn Chennai OMR IT Expressway, Holiday Inn Bengaluru Racecourse, Four Points by Sheraton Kochi Infopark, Grand Mercure Ahmedabad GIFT City, Holiday Inn Express & Suites Bengaluru OMR, and ibis Styles Mysuru. These hotels cater to both business and leisure travelers, offering premium hospitality experiences in high-demand urban and tourist micro-markets.
- The company **plans to develop five new hotels**, including a luxury beach resort in Chennai (under the Grand Hyatt brand), two upper midscale hotels in Bengaluru (under Fairfield by Marriott), a luxury hotel in Hyderabad (under the InterContinental brand), and a wellness resort in Vaikom, Kerala (under The Ritz-Carlton brand). The Chennai and Bengaluru projects are targeted for completion by FY28, and the Hyderabad and Kerala resorts by FY29.
- Additionally, the company has signed agreements and Memoranda of Understanding (MoUs) for future developments in Chennai and Thiruvananthapuram under brands like JW Marriott, Courtyard by Marriott, and Marriott, though land arrangements for these projects are yet to be finalized.

Key highlights of the company (Contd...):

- For the FY25, the company reported an Average Room Rate (ARR) of Rs. 6,693.59, an increase from Rs. 6,387.58 in FY24 and Rs. 5,943.57 in FY23. The **Average Occupancy Rate improved to 76.76% in FY25**, compared to 73.29% in FY24 and 69.59% in FY23. Consequently, the Revenue per Available Room (**RevPAR**) rose to **Rs. 5,138.18 in FY25**, up from Rs. 4,681.17 in FY24 and Rs. 4,136.34 in FY23.
- As of FY25, the company operated 30 restaurants and bars across its hotels, including award-winning in-house brands. These outlets offer a diverse culinary and entertainment experience. Food & Beverages (F&B) revenue, including MICE, contributed Rs. 155.33cr in FY25, Rs. 127.27cr in FY24, Rs. 109.62cr in FY23, and Rs. 50.7cr in FY22, representing over 32% of operational revenue annually, highlighting the segment's strong performance and revenue diversification.

Peer comparison and valuation: Brigade Hotel Ventures Ltd., promoted by Brigade Enterprises Ltd., is a prominent hotel owner and developer in South India, offering premium hospitality experiences under global brands such as Marriott, IHG, Accor, and Hyatt. With nine operating hotels across key high-demand markets and an average occupancy of 76.76% in FY25, the company is well-positioned to benefit from rising travel demand and limited new hotel supply in cities like Bengaluru, Chennai, and Hyderabad. It has a robust expansion pipeline of five new hotels, including properties in Chennai, Bengaluru, Hyderabad, and Kerala, which are expected to be completed in Fiscal 2028 and 2029. This planned capacity addition enhances future revenue visibility and strengthens its presence in key markets.

At the upper end of its price range, BHVL is demanding an EV/Sales multiple of 7.3x, this valuation seems to be in-line compared to its peer's average. Rising domestic travel, foreign tourist arrivals, and steady hotel inventory growth especially in Bengaluru (7.3% CAGR), Chennai (3.8%), and Hyderabad (4.8%) support the long-term growth narrative. The company's focus on developing hotels in commercially and logistically strategic areas, combined with above average room inventories, positions it favorably to capture future demand. Key assets like Sheraton Grand Bangalore and Grand Mercure Ahmedabad further reinforce its potential for long-term value creation. Thus, we recommend a **"Subscribe for Long Term"** rating for this issue.

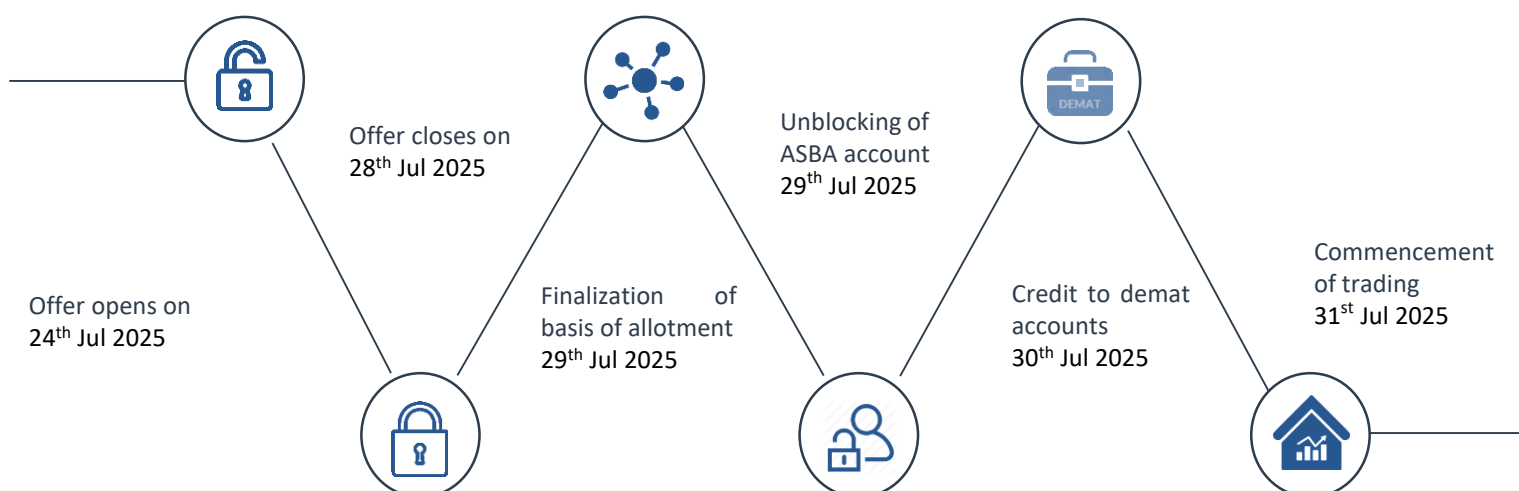
About the issue:

- Brigade Hotel Ventures Ltd. is coming up with an IPO with 8.440 - 8.936cr shares (fresh issue: 8.440 - 8.936cr shares) in offering. This offer represents 22.22% of the post-issue paid-up equity shares of the company. Total IPO size is Rs. 759.60cr.
- The issue is through book building process with a price band of Rs. 85 - 90 per share.
- Lot size comprises of 166 equity shares and in-multiple of 166 shares thereafter.
- The issue will open on 24th Jul. 2025 and close on 28th Jul. 2025.
- The company has raised Rs. 126.0cr in a pre-IPO placement, issuing 1.4cr equity shares to 360 ONE Alternates Asset Management Ltd. at Rs. 90 each.
- This public issue is entirely fresh issue (Rs. 759.60cr). From the fresh issue net proceeds and the proceeds from the Pre-IPO Placement, the company will be utilizing Rs 413.69cr for Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by the company; Rs. 54.45cr for Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by Material Subsidiary, namely, SRP Prosperita Hotel Ventures Ltd.; Rs. 107.52cr for Payment of consideration for buying of Undivided Share of Land from the promoter, BEL. Residual proceeds will be used for pursuing inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes.
- Post-IPO, the P&PG and public shareholders will have 74.09% and 25.91% stake in the company, respectively.
- 75% of the net issue is reserved for qualified institutional buyers, while 15% and 10% of the net issue is reserved for non-institutional bidders and retail investors, respectively.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group	95.26%	74.09%
Public	4.74%	25.91%
Non-promoter & Non-public	0%	0%

Source: Choice Equity Broking

Indicative IPO process timeline:



Pre-issue financial performance:

Performance over FY22-25: On the financial performance front, BHVL has reported profitable growth over the years during FY22-25 due to an increase in our revenue from operations.

The company's growth has increased, with total operating revenue reaching Rs. 468.3cr in FY25, reflecting a CAGR of 43.7%, primarily driven by increase in the revenue from hospitality services, higher occupancy rates and increased average room rates. The gross profit margin was maintained at 90.4% in FY25. With relatively, lower employee and other expenses, EBITDA margin expanded by 2,768bps to 35.1% in FY25 from 7.4% in FY22. Consequently, consolidated EBITDA increased by 147.1% CAGR to Rs. 164.4cr in FY25.

During this period, BHVL saw a decrease in other income and experienced a fall in finance cost, which leads to a 4,969bps increase in the PAT margin, rising it to 5.1% in FY25 from -44.6% in FY22 and a significant rise in the adjusted PAT, reaching Rs. 23.7cr in FY25 from Rs. (65.4)cr in FY22.

The company has maintained its borrowings, which contributed an improve in debt-to-equity ratio to 9.0x in FY25 from 19.6x in FY22. Pre-issue RoCE and RoE stood at 13.0% and 27.2%, respectively, in FY25.

Pre-issue financial snapshot (Rs. cr)	FY22	FY23	FY24	FY25	CAGR over FY22-25	Y-o-Y (FY25 annual)
Revenue bifurcation from segments						
Revenue from hospitality services	141.0	344.3	394.7	460.1	48.3%	16.6%
Income from leasing	5.2	5.1	5.3	6.4	7.5%	20.9%
Other operating revenue	0.3	0.8	1.7	1.8	82.1%	6.1%
Revenue bifurcation from hotel operators						
Marriott	57.0	143.9	170.8	205.2	53.2%	20.1%
Accor	41.1	89.4	95.7	111.5	39.5%	16.6%
Inter Continental Hotels Group	46.7	114.3	132.6	148.6	47.1%	12.1%
Revenue from hotel operators	144.8	347.6	399.0	465.2	47.6%	16.6%
Revenue from operations	146.5	350.2	401.7	468.3	47.3%	16.6%
Gross profit	130.1	315.1	361.4	423.5	48.2%	17.2%
EBITDA	10.9	96.8	141.5	164.4	147.1%	16.2%
Adjusted PAT	(65.4)	(14.8)	24.9	23.7	-171.3%	-4.9%
Restated adjusted EPS	(1.7)	(0.4)	0.7	0.6		
Cash flow from operating activities	(13.1)	107.9	154.9	149.0	-324.6%	-3.8%
NOPLAT	(34.3)	32.3	95.0	60.9	-221.2%	-35.8%
FCF		205.0	21.3	69.3		225.1%
RoIC (%)	-4.9%	6.0%	14.3%	9.6%	1,442 bps	(477)bps
Revenue growth rate		139.1%	14.7%	16.6%		187bps
Gross profit growth rate		142.2%	14.7%	17.2%		253bps
Gross profit margin	88.8%	90.0%	90.0%	90.4%	160bps	48bps
EBITDA growth rate		788.0%	46.2%	16.2%		
EBITDA margin	7.4%	27.6%	35.2%	35.1%	2,768bps	(10)bps
Adjusted PAT growth rate		-77.3%	-267.6%	-4.9%		
Adjusted PAT margin	-44.6%	-4.2%	6.2%	5.1%	4,969bps	114bps
Inventories days	6.4	3.6	4.7	4.9	-8.4%	5.4%
Trade receivables days	31.3	17.3	19.3	17.4	-17.7%	-9.5%
Trade payables days	47.1	26.2	26.7	25.5	18.5%	4.5%
Cash conversion cycle	(9.5)	(5.3)	(2.8)	(3.1)	-30.8%	14.1%
Total asset turnover ratio	0.2	0.4	0.5	0.5	43.1%	9.1%
Current ratio	1.1	0.4	0.5	0.4	-27.6%	-17.3%
Total debt	786.9	735.0	752.7	781.2	-0.2%	3.8%
Net debt	775.1	727.2	744.7	770.4	-0.2%	3.5%
Debt to equity	19.6	17.5	11.2	9.0	-22.9%	-19.9%
Net debt to EBITDA	71.1	7.5	5.3	4.7	-59.6%	-11.0%
RoE	-162.9%	-35.2%	37.1%	27.2%		(986) bps
RoA	-7.5%	-1.8%	2.8%	2.5%	1,002 bps	(31) bps
RoCE	-5.8%	6.0%	11.7%	13.0%	1,877 bps	125 bps

Note: Pre-IPO financials; Source: Choice Equity Broking

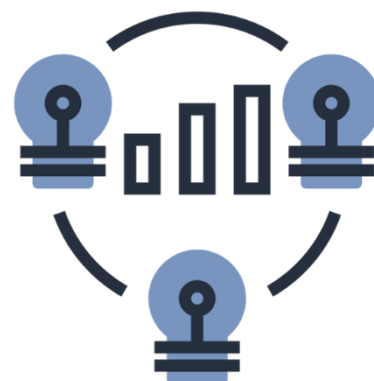


Competitive strengths:

- Strategically located award winning hotels with diversified offerings in the key cities primarily in South India
- Focus on asset management resulting in operating efficiencies
- Focus on environmental, social & governance ("ESG")
- Strong parentage of Brigade group
- Well positioned to leverage industry tailwinds
- Experienced management team with domain expertise

Business strategy:

- Expand Operations by Developing New Hotels at Select Locations
- Focus on Improving Operating Efficiencies and Increase Revenues
- Expand Portfolio by Way of Opportunistic and Accretive Acquisitions



Risk and concerns:

- Heavy reliance on Marriott-operated hotels
- Geographical revenue concentration in Bengaluru market
- Significant dependence on F&B revenue
- Exposure to seasonal and cyclical business fluctuations
- Competition

Financial statements:

Restated consolidated profit and loss statement (Rs. cr)						
	FY22	FY23	FY24	FY25	CAGR over FY22-25	Annual growth over FY24
Revenue from operations	146.5	350.2	401.7	468.3	47.3%	16.6%
Cost of material consumed	(16.4)	(35.1)	(40.3)	(44.8)	39.9%	11.0%
Gross profit	130.1	315.1	361.4	423.5	48.2%	17.2%
Employee benefits expenses	(36.7)	(63.3)	(76.3)	(86.3)	32.9%	13.2%
Other expenses	(82.5)	(155.0)	(143.6)	(172.7)	27.9%	20.3%
EBITDA	10.9	96.8	141.5	164.4	147.1%	16.2%
Depreciation and amortization expenses	(58.4)	(49.4)	(43.6)	(49.8)	-5.2%	14.1%
EBIT	(47.5)	47.4	97.8	114.6		17.2%
Finance costs	(61.5)	(69.2)	(68.9)	(72.6)	5.6%	5.3%
Other income	5.5	6.2	3.2	2.4	-23.7%	-22.9%
Exceptional items	(11.1)	11.0				
PBT	(114.7)	(4.5)	32.1	44.5		38.7%
Tax expenses	32.0	1.5	(0.9)	(20.9)	-186.7%	2118.1%
PAT before minority interest	(82.7)	(3.1)	31.1	23.7		-24.0%
Minority interest	6.2	(0.8)	(6.3)			
Reported PAT	(76.5)	(3.8)	24.9	23.7		-4.9%
Adjusted PAT	(65.4)	(14.8)	24.9	23.7		-4.9%

Restated consolidated balance sheet statement (Rs. cr)						
	FY22	FY23	FY24	FY25	CAGR over FY22-25	Annual growth over FY24
Equity share capital	1.0	1.0	1.0	281.4	555.3%	28043.0%
Other equity	39.1	41.1	66.0	(194.6)	-270.7%	-394.6%
Minority interest	4.9	5.7	12.0	15.5	46.4%	29.1%
Non-current borrowings	683.6	501.1	549.1	493.4	-10.3%	-10.2%
Non-current lease liabilities	66.3	67.5	118.3	139.4	28.1%	17.8%
Other non-current financial liabilities	1.7	2.1	2.1	0.3	-41.9%	-83.7%
Non-current provisions	0.9	0.9	1.1	1.6	20.3%	42.2%
Other non-current liabilities	0.0	8.9	8.8	8.6	0.0%	-1.8%
Trade payables	18.9	31.5	27.3	38.1	26.3%	39.5%
Current borrowings	1.9	131.5	52.1	123.9	304.7%	138.1%
Current lease liabilities	0.0	0.0	0.0	0.8	0.0%	0.0%
Other current financial liabilities	33.4	32.9	31.0	23.3	-11.3%	-24.9%
Current provisions	0.6	1.0	1.4	1.9	44.2%	34.3%
Other current liabilities	16.7	15.6	16.5	13.9	-6.1%	-16.0%
Total liabilities	869.1	840.7	886.8	947.6	2.9%	6.9%
Property, plant & equipments	668.1	626.7	650.8	729.7	3.0%	12.1%
Intangible assets	2.1	1.3	0.9	1.8	-4.5%	105.7%
Capital work-in-progress	23.7	29.4	71.7	20.3	-5.0%	-71.7%
Non-current investments	0.0	0.1	0.1	0.1	81.7%	0.0%
Other non-current financial assets	6.8	8.3	10.5	12.1	20.8%	14.5%
Net deferred tax assets	80.1	79.1	78.2	57.4	-10.5%	-26.5%
Net non-current tax assets	4.1	4.5	5.6	10.6	37.5%	90.3%
Other non-current assets	2.2	1.4	1.5	27.8	133.2%	1703.9%
Inventories	2.6	4.4	5.9	6.7	37.7%	13.5%
Trade receivables	12.6	20.7	21.8	23.0	22.4%	5.7%
Cash & cash equivalents	11.8	7.8	8.0	10.8	-2.9%	35.0%
Bank balances other than Cash & cash equivalents	20.9	23.3	12.3	11.6	-17.9%	-5.6%
Current loans	0.0	0.0	0.0	0.0	0.0%	0.0%
Other current financial assets	1.2	2.1	2.9	9.8	100.5%	239.7%
Other current assets	33.0	31.7	16.8	26.1	-7.6%	55.6%
Total assets	869.1	840.7	886.8	947.6	2.9%	6.9%

Financial statements (Contd...):

Restated consolidated cash flow statement (Rs. cr)						
	FY22	FY23	FY24	FY25	CAGR over FY22-25	Annual growth over FY24
Cash flow before working capital changes	3.5	98.0	143.9	164.9	260.8%	14.6%
Working capital changes	(16.5)	11.3	12.1	(10.9)	-12.8%	-190.7%
Cash flow from operating activities	(13.1)	107.9	154.9	149.0		-3.8%
Purchase of fixed assets & CWIP	(13.6)	(9.7)	(55.5)	(94.7)	91.2%	70.8%
Cash flow from investing activities	(11.1)	1.0	(45.3)	(95.0)	104.5%	109.7%
Cash flow from financing activities	25.1	(132.2)	(92.1)	(81.8)	-248.3%	-11.2%
Net cash flow	0.8	(23.4)	17.4	(27.8)	-421.2%	-259.7%
Opening balance of cash	9.1	9.9	(13.5)	3.9	-24.2%	-129.3%
Closing balance of cash from continuing operations	9.9	(13.5)	3.9	(23.9)	-234.1%	-704.6%

Financial ratios				
Particulars	FY22	FY23	FY24	FY25
Profitability ratios				
Revenue growth rate		139.1%	14.7%	16.6%
Gross profit growth rate		142.2%	14.7%	17.2%
Gross profit margin	88.8%	90.0%	90.0%	90.4%
EBITDA growth rate		788.0%	46.2%	16.2%
EBITDA margin	7.4%	27.6%	35.2%	35.1%
EBIT growth rate		-199.9%	106.2%	17.2%
EBIT margin	-32.4%	13.5%	24.4%	24.5%
Restated adjusted PAT growth rate		-77.3%	-267.6%	-4.9%
Restated adjusted PAT margin	-44.6%	-4.2%	6.2%	5.1%
Turnover ratios				
Inventory turnover ratio	57.0	101.1	78.2	74.2
Trade receivable turnover ratio	11.7	21.1	18.9	20.9
Accounts payable turnover ratio	7.7	13.9	13.7	14.3
Fixed asset turnover ratio	0.2	0.5	0.6	0.6
Total asset turnover ratio	0.2	0.4	0.5	0.5
Liquidity ratios				
Current ratio	1.1	0.4	0.5	0.4
Quick ratio	1.1	0.4	0.5	0.4
Total debt	786.9	735.0	752.7	781.2
Net debt	775.1	727.2	744.7	770.4
Debt to equity	19.6	17.5	11.2	9.0
Net debt to EBITDA	71.1	7.5	5.3	4.7
Cash flow ratios				
CFO to PAT	0.2	(7.3)	6.2	6.3
CFO to Capex	(1.0)	11.1	2.8	1.6
CFO to total debt	(0.0)	0.1	0.2	0.2
CFO to current liabilities	(0.2)	0.5	1.2	0.7
Return ratios				
RoIC (%)	-4.9%	6.0%	14.3%	9.6%
RoE (%)	-162.9%	-35.2%	37.1%	27.2%
RoA (%)	-7.5%	-1.8%	2.8%	2.5%
RoCE (%)	-5.8%	6.0%	11.7%	13.0%
Per share data				
Restated EPS (Rs.)	(1.7)	(0.4)	0.7	0.6
BVPS (Rs.)	1.1	1.1	1.8	2.3
Operating cash flow per share (Rs.)	(0.3)	2.8	4.1	3.9
Free cash flow per share (Rs.)		5.4	0.6	1.8

IPO rating rationale

Subscribe: An IPO with strong growth prospects and valuation comfort.

Subscribe for Long Term: Relatively better growth prospects but with valuation discomfort.

Avoid: Concerns on both fundamentals and demanded valuation.

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