

Recommendation	Subscribe	
Price Band	Rs. 640-675	
Bidding Date	29 th –31 th July	
Book Running Lead Manager	IIFL Capital, ICICI sec	
Registrar	MUFG Intime India Private Limited	
Sector	Electronics	
Minimum Retail Application- Detail At Cut off Price		
Number of Shares	22	
Minimum Application Money	Rs. 14850	
Payment Mode	ASBA	
Consolidated Financials (Rs Cr)	FY24	FY25
Total Income	2,782	3,112
EBITDA	223	247
Adj PAT	115	150
Valuations (FY25)	Upper Band	
Market Cap (Rs Cr)	7,912	
Adj EPS	12.8	
PE	22.5	
EV/ ADJ EBITDA	31.4	
Enterprise Value (Rs Cr)	7768	
Post Issue Shareholding Pattern		
Promoters	77.1%	
Public	22.9%	
Offer structure for different categories		
QIB (Including Mutual Fund)	75%	
Non-Institutional	15%	
Retail	10%	
Post Issue Equity (Rs. in Cr)	11.7	
Issue Size (Rs in Cr)	1300	
Face Value (Rs)	1	
Kavita Vempalli Sr Research Analyst (022 62738034)		

BACKGROUND

Aditya Infotech Ltd (AIL) operates in the security and surveillance industry, specifically in the video security and surveillance segment. Co basically is a prominent player in the security and surveillance industry with ~ 21% market share and a strong brand presence of name “CP Plus” and they have a catchy tagline “Uparwala sab dekh raha”. It has a manufacturing facility in Kadapa, Andhra Pradesh, with an installed capacity of 15.59 mn units’ pa and dedicated R&D facility in Noida, Uttar Pradesh, focusing on innovation and product development. Further it operates across 550+ cities and towns in India with a strong distribution network of 1,000+ channel partners and 41 branch offices.

Objects and Details of the Issue: The issue is a combination of fresh issue of 0.74 cr shares of ~ Rs 500 cr and offer for sale of 1.19 cr shares of ~ Rs 800 cr totaling to Rs.1300 cr. Co plans to repay debt of Rs.375cr and General corporate purposes.

Investment Rationale:

1. Largest provider of video security and surveillance products, solutions and services.
2. Comprehensive portfolio of electronic security products providing end to end services.
3. Growing thrust for video surveillance market in India.
4. Advanced manufacturing with R&D capabilities with focus on quality.
5. Robust Financial Performance.

Valuation and Recommendation:-

AIL is very well placed in a growing demand of video surveillance market backed by enhanced product portfolio and R&D capabilities. With government’s thrust for ‘Make in India’ augmentation, AIL with 21% market leadership abodes well to benefit widely. Co’s Revenues/Ebitda has grown at a cagr of 17%/24% over FY23-25. We believe IPO is fairly priced at a 53x its FY25 earnings when compared to other consumer durable players. However looking at the growth prospects for the Co, we recommend ‘Subscribe’ to the issue.

nancials	FY23	FY24	FY25
Net Revenues	2,285	2,782	3,112
Growth (%)		21.8%	11.8%
Ebitda	161	223	247
Ebitda(Margin %)	7.0%	8.0%	7.9%
PBT	143	165	434
Adjusted PAT	108	115	150
EPS	9.2	9.8	12.8
ROCE *	23.1%	23.6%	15.9%
P/E	73	68.7	52.7
EV/ EBITDA	48.4	34.8	31.4

Source: Company data, NBRR

*FY25 ROCE adjusted for exceptional gain.

Company Background

Aditya Infotech Ltd (AIL) operates in the security and surveillance industry, specifically in the video security and surveillance segment. Co basically is a prominent player in the security and surveillance industry with ~ 21% market share and a strong brand presence of name "CP Plus" and they have a catchy tagline "Uparwala sab dekh raha". It has a manufacturing facility in Kadapa, Andhra Pradesh, with an installed capacity of 15.59 mn units' pa and dedicated R&D facility in Noida, Uttar Pradesh, focusing on innovation and product development. Further it operates across 550+ cities and towns in India with a strong distribution network of 1,000+ channel partners and 41 branch offices.

Product Portfolio



Manufacturing Facility

Kadapa Facility has a production capacity of 17.20 mn units pa. Spread over an area of 204,157.36 sq ft, the Kadapa Facility includes advanced manufacturing infrastructure such as high speed SMT lines, assembly lines and stringent quality control equipment. This Facility is operated and managed by Co's Subsidiary, AIL Dixon.



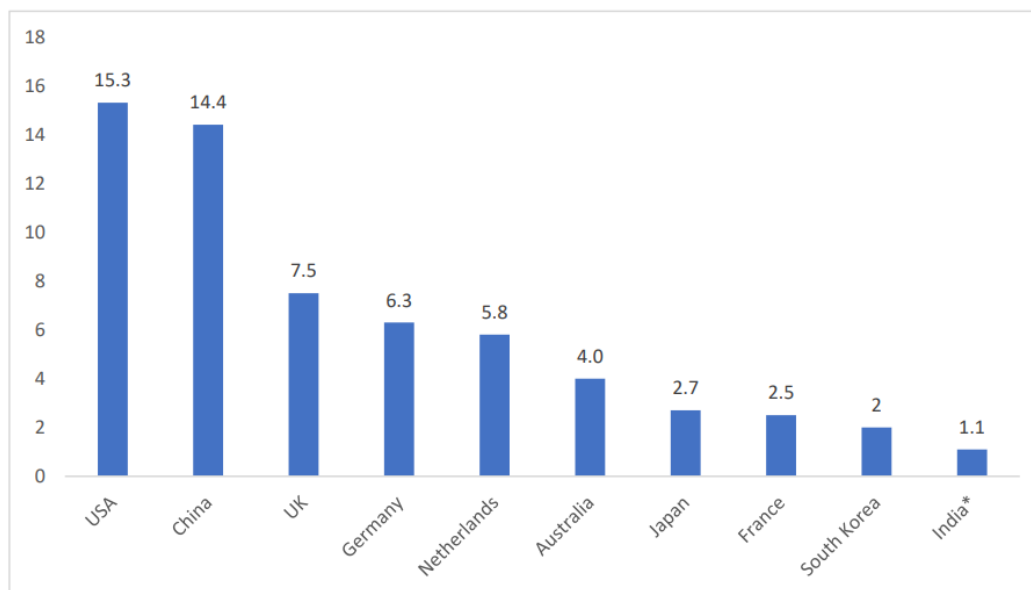
SMT Lines



Industry Overview

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.

Number of CCTV cameras per 100 individuals globally



Source: Precise Security and Comparitech

Video surveillance is a fast-growing market driven by the need for improved safety and security. There has been significant focus from the govt on infra with initiatives like Smart Cities, Digital India, PM Gati Shakti Scheme, Bharatmala Scheme, etc. From close to U.S.\$1.0 bn in FY20, the video surveillance market in India reached U.S.\$1.3 bn in FY25 with growth until 2030 estimated at CAGR 16.46%. From analog to Internet Protocol (IP) camera, and on premise to cloud-video surveillance, the industry has seen market defining transformation in the recent past.

Most Surveyed Cities in India – in terms of # of CCTV cameras per 1000 people, 2025

Country	City	Population	# of CCTV Cameras	# of cameras per 1,000 people
India	Hyderabad	1,13,37,900	9,00,000	79.38
India	Indore	3482830	251500	72.21
India	Bengaluru	1,43,95,400	5,85,284	40.66
India	Delhi	3,46,65,600	3,13,332	9.04
India	Chennai	1,23,36,000	1,06,576	8.64
India	Pune	75,25,720	52,065	6.92
India	Kochi	36,04,550	23,966	6.65
India	Lucknow	41,32,670	27,245	6.59
India	Mumbai	2,20,89,000	82,390	3.73
India	Ahmedabad	90,61,820	21,036	2.32

Source: Comparitech

Investment Rationale

Largest provider of video security and surveillance products, solutions and services.

AIL is a leading player in India's video surveillance market, with a 20.8% market share and a strong brand presence under 'CP Plus' with a catchy tagline "Uparwala Sab Dekh Raha Hai". Co offers a wide range of advanced video security products, including smart home IoT cameras, analog and IP surveillance systems, and AI-powered security devices with a total of 2986 SKUs across various price points.



Since the launch of flagship brand 'CP Plus', AIL has consistently invested significant resources in enhancing the strength and appeal of the brand. It was the first player to focus on creating a consumer brand for the security and surveillance industry in India. Further, they have also established 69 dedicated CP PLUS Galaxy stores operated by its distributors across India.

AIL's products are sold in over 550 cities and towns and operates through a network of 41 branch offices and 13 RMA centres across India. Co sells its surveillance products through network of over 1000 distributors in tier I, tier II and tier III cities and over 2,100 system integrators.

Co has made strategic partnerships with Dixon Tech for manufacturing, VVDN Tech for product engineering, design and Dahua Tech for sourcing products for sale.

Co has an exclusive 16 year old strategic partnership with Dahua, one of the top players in the video surveillance space globally. However, with STQC law coming into existence from April 9th, Co will not be able to market Dahua's IP led products in India which we believe can affect ~ 22% of Co's revenues. But we do believe that with 25 years plus experience in the security industry, AIL will be able to source the products through different channels and maintain its leadership position.

Comprehensive portfolio of electronic security products providing end to end services.

'CP PLUS' and 'Dahua' brands are amongst the prominent brands for CCTV and security products in India in terms of diversity of offerings. AIL's comprehensive range of security products, and solutions include CCTV cameras such as smart home IoT cloud cameras, network and HD analog cameras, digital video recorders and network video recorders, mobile and on board surveillance, body-worn cameras, thermal cameras and temperature screening solutions, explosion-proof cameras, integrated central command and control software, AI/ deep learning-based video analytics solutions, access control, time-attendance solutions, biometric products, video doorbells and video door-phones, HMS, AMS, interactive displays, monitors, SD Cards, as well as other accessories and products including cabling, racks, storage solutions and customized solutions.

In FY25, AIL offered 2,986 SKUs of products across varied price points, some even in localised customized software solutions. For instance, Co has developed health monitoring system (HMS) through complex security processes that can be monitored in real time, to identify and resolve critical issues and potential problems.



Similarly, Co has developed an AMS, which is a cloud-based facilitation tool for employers and employees to record and track attendance, leaves, holidays, arrival and departure times, as well as conveyance time and cost on a regular basis. The AMS can be downloaded in the form of an application on devices and eliminates the shortcomings of traditional tracking systems in terms of transparency and convenience.

Growing thrust for video surveillance market in India.

Government of India has introduced a comprehensive regulatory framework mandating cybersecurity certifications from Government-approved laboratories for all internet-connected (IP) CCTV devices sold in India with 9th April deadline aimed at mitigating risks associated with foreign surveillance. Under this framework, manufacturers are required to undergo rigorous compliance protocols, including hardware and firmware testing; source code audits; factory inspections, including overseas facilities; and tamper-proof enclosures and encryption validation, to obtain the mandatory **STQC** certification for their products.

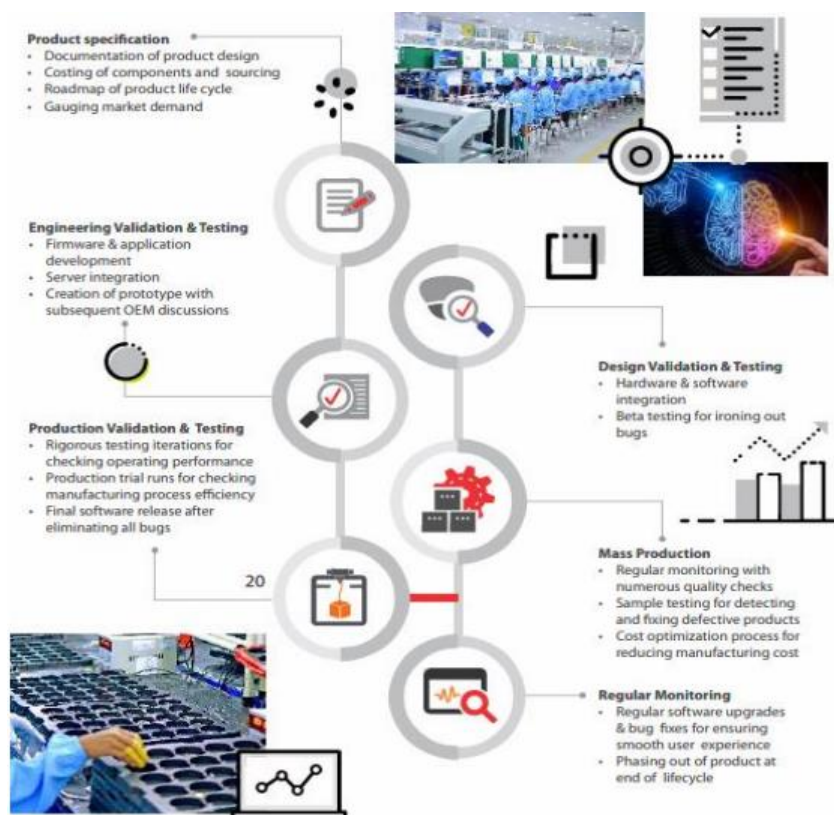
Many of the product lines of AIL are STQC certified and complies with the stringent cybersecurity protocols positioning it to benefit from the evolving regulatory landscape and are poised to leverage this opportunity to expand market share.

Advanced manufacturing with R&D capabilities with focus on quality

AIL plans to expand its product portfolio further with next generation of advanced existing products. Historically, Co has collaborated with third parties to gain access to technology used to design and develop products. It has introduced AI-powered solutions that extend traditional CCTVs functionality, bringing intelligent video analytics to a broader audience in collaboration with SparkCognition. Through a mix of in-house processes and external collaborations, Co intends to continue innovating and catering to its customer requirements.

Further, Co plans to open CP Plus AI stores as well as expand its presence into Tier 2 and Tier 3 towns as well. And to support the sales, Co intends to Increase production at its Kadapa Facility in AP as it has scope for capacity expansion from the current installed capacity of 17.20 mn units pa. Further, Co's manufacturing capabilities are augmented by an in-house R&D team comprising 86 employees which focusses on innovation through its R&D center in Noida, Uttar Pradesh.

Key Aspects of R&D Operations

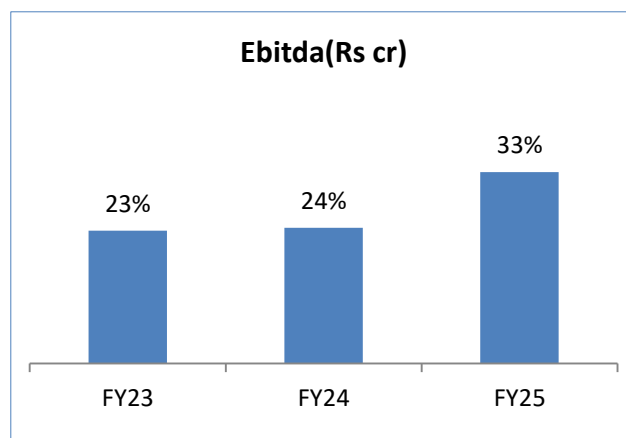
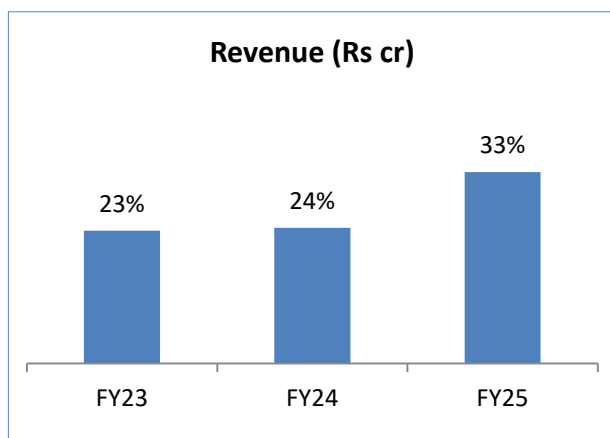


Source: NBRR, Co

With rapid growth of the security and surveillance industry, the demand for high-quality security cameras and recorders has increased significantly. Housing for these devices plays a critical role in ensuring durability, protection, and overall functionality. In India, developing plastic and metal housings for security cameras and recorders presents opportunities, given the country's evolving manufacturing landscape, growing domestic demand, and the rise of global outsourcing. AIL intend to focus on plastic and metal housings to ensure that its products are durable, better suited for outdoor and industrial applications, corrosion resistance and are protected against dust and water. Towards this, Co is in the process of establishing necessary manufacturing infrastructure.

Robust Financial Performance

AIL has shown consistent financial growth in recent years with revenues/EBITDA growing at a CAGR of 16.7%/24.5% respectively during FY23-25. With STQC framework being implemented since FY24, Indian electronics market saw dumping of products resulting in price corrections vis-à-vis slower growth of 12% in FY25. However, now the prices have bounced back and with steady volume growth, we believe AIL can report numbers above industry growth in the coming years.



Concerns

- High Competition:** AIL operates in a highly competitive industry, which may impact market share and pricing power.
- Regulatory Hurdles:** Changes in government policies or compliance requirements can affect operations and profitability.
- Dependence on Government Projects:** Delays or cuts in public sector contracts may impact revenue and profitability.

Valuation and Recommendation

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Peer Competition

AIL do not have direct listed peers. Considering the nature of business growth, brand recognition we have compared it with 2 AC Companies.

FY25	Samriddhi Automations Pvt. Ltd.	Bluestar	Voltas	Average	Aditya infotech
Revenue	271	11,968	15,413	9217.4	3,112
CAGR (FY23-25)		22%	27%	25%	17%
EBITDA Margin	5.4%	6.7%	8.7%	7.8%	7.9%
Asset Turns (x)		3.5	2.1	2.8	2.2
Wkg Cap Days	-	42	68	54.9	84
ROCE *	15.0%	23.9%	18.6%	19%	15.9%
ROE *	15.8%	19.3%	12.9%	16%	14.8%
Debt/Equity		0.1	0.1	0.1	0.4
EV/EBITDA	0.0	45.3	32.8	55.7	31.4
P/E	0.0	61.2	52.3	56.7	52.7

*ROCE/ROE for FY25 for AIL are adjusted for exceptional gains. FY24 ROCE/ROE stood at 23.6%/27.1%.

Financials

Consolidated

P&L (Rs. Cr)	FY23	FY24	FY25
Net Revenue	2,284.5	2,782.4	3,111.9
% Growth		22%	12%
Cost of material	1,899	2,272	2,442
% of Revenues	83.1%	81.7%	78.5%
Employee Cost	103	134	203
% of Revenues	4.5%	4.8%	6.5%
Other expenses	122	154	219
% of Revenues	5.3%	5.5%	7.0%
EBITDA	160.5	222.9	247.3
EBITDA Margin	7.0%	8.0%	7.9%
Depreciation	9	16	31
Other Income	11	14	11
Interest	23	31	42
Exceptional(Gain on account	-4	25	249
PBT	143	165	434
Tax	35	49	83
Tax rate	24.4%	30.0%	19.1%
Adj PAT	108	115	150
% Growth		6%	30%
EPS (Post Issue)	9.2	9.8	12.8

Ratios & Others	FY23	FY24	FY25
Debt / Equity	1.3	1.0	0.4
EBITDA Margin (%)	7.0%	8.0%	7.9%
PAT Margin (%)	4.7%	4.1%	4.8%
Adj ROE (%)	34.8%	27.1%	14.8%
Adj ROCE (%)	23.1%	23.6%	15.9%

Turnover Ratios	FY23	FY24	FY25
Debtors Days	98	96	122
Inventory Days	82	67	102
Creditor Days	145	79	157
Asset Turnover (x)	3.17	3.35	2.18

Valuation Ratios	FY23	FY24	FY25
Price/Earnings (x)	73.0	68.7	52.7
EV/ EBITDA (x)	48.4	34.8	31.4
EV/Sales (x)	3.4	2.8	2.5
Price/BV (x)	25.4	18.7	7.8

Source: Company Data, NBRR

Balance Sheet (Rs. Cr)	FY23	FY24	FY25
Share Capital	2	2	11
Instruments equity in nature	310	422	1,007
Other Equity/non controlling interest	0	0	0
Networth	312	424	1,018
Total Loans	410	405	413
Lease Liabilities	17	31	44
Other non-curr liab.	7	9	20
Trade payable	909	600	1,343
Other Current Liab	54	175	337
Total Equity & Liab.	1,709	1,644	3,175
Property, Plant and Equipment	26	21	132
Capital work-in-progress/Investment p	31	1	18
Goodwill/Right of Use	44	64	621
Non Currrent Financial assets	25	13	33
Other non Curr. assets	4	11	15
Inventories	511	509	871
cash and cash equivalents	148	39	136
Bank bal	224	31	46
Trade receivables(debtor)	615	734	1,039
Other Current assets	80	219	264
Total Assets	1,709	1,644	3,175

Cash Flow (Rs. Cr)	FY23	FY24	FY25
Profit Before Tax	143	165	434
Provisions & Others	16	64	-168
Op. profit before WC	159	228	266
Change in WC	-61	-357	-189
Less: Tax	-42	-51	-51
CF from operations	56	-180	27
Purchase of assets	-7	-19	-26
Sale of property	0	12	0
Redemption of fixed deposit	-124	112	15
interest & div paid	9	11	10
CF from Investing	-122	116	-1
Payment of lease liabilities	-6	-10	-17
Proceeds/ Repayment Borrowings	189	22	1
interest & div paid	-74	-56	-4
CF from Financing	109	-44	-19
Net Change in cash	43	-108	6
Cash & Bank at beginning	105	148	129
Cash & Bank at end	147	40	135

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