

1. Company Business

Core Operations

Aditya Infotech Limited (AIL) stands as a fully integrated B2B and B2C enterprise in India’s electronic security and surveillance market. The company’s business is structured in two key verticals:

✦ Manufacturing & Trading (CP PLUS)

- **Manufacturing** : Owns and operates a state-of-the-art CCTV and surveillance device plant in Kadapa, Andhra Pradesh, with an annual capacity of 17.2 million units. The facility produces products under the CP PLUS brand, encompassing HD analog/IP cameras, video recorders (DVRs/NVRs), biometric systems, body-worn/thermal cameras, home security devices, and AI-powered solutions.
- **Make in India** : Significant investments in local manufacturing have positioned AIL at the forefront of “Atmanirbhar Bharat” (Self-Reliant India) for electronic surveillance, reducing import dependence.

✦ Trading & Distribution (Dahua and Others)

- **Exclusive Distribution** : AIL is the exclusive distributor of Dahua Technology’s products—one of the world’s top surveillance technology brands—for the Indian market. This diversifies product variety and enables rapid fulfillment.
- **Collaborations** : Tie-ups with Dixon Technologies, technology integration partners, government agencies, and other OEMs enable AIL to leverage advanced R&D, scale, and access to international-class design/manufacturing.

✦ Critical Enablers

- **After-Sales & Services** : Robust pan-India after-sales support via 13 RMA (Return Merchandise Authorization) centers, 41 branch offices, and multiple CP PLUS Galaxy branded retail experiences.
- **Distribution Ecosystem**
 - More than 1,000 distributors and 2,100+ system integrators.
 - Presence in 550+ cities/towns and 69 exclusive Galaxy stores operated by partners.

✦ Integrated Technology Offering

- **AI & IoT Solutions** : AI-based video analytics, smart home IoT platforms, cloud-connected surveillance, and enterprise-level health & attendance monitoring.
- **Portfolio Depth** : Nearly 3,000 SKUs across various price bands, features, and form-factors for both enterprise and consumer markets.

2. Operational Metrics

Key Performance Indicators (KPIs)	Units	Fiscal 2025	Fiscal 2024	Fiscal 2023
Installed Capacity	in units	17,201,664	15,586,500	10,068,000
Capacity Utilisation	in %	77.04%	64.09%	72.66%
Number of Distributors	in numbers	1,012	842	974
Number of System Integrators	in numbers	2,178	2,208	2,018

3. Promoters And Management:

- ✦ **Hari Shanker Khemka** is the **Chairman and Whole-time Director** of the Company. He holds a Bachelor's degree in Science (Chemistry) from Hindu College, University of Delhi, and has **30 years of experience in the IT and electronic video surveillance sectors**. He oversees legal, administration, and strategic planning. He has received several awards, including the ‘Yugaantar District Award’ and ‘Governor’s Pinnacle Award’ from the Rotary Club Delhi Premier.
- ✦ **Aditya Khemka, the Managing Director**, holds a Bachelor's degree in Commerce from Shri Ram College of Commerce and a Post Graduate Diploma in International Business from FORE School of Management. With **30 years of experience in IT and video surveillance**, he handles growth strategies, business operations, investments, and product development. He has received multiple awards, including ‘Pioneer in Surveillance Industry Award 2025’ and ‘CX Leader of the Year 2024’.
- ✦ **Ananmay Khemka is a Whole-time Director of the Company**. He holds a Bachelor's degree in Global Management from Regent’s University, London, and has over **four years of experience in the IoT sector**. He joined the Company in 2020 as Manager – Strategy & Business Development and was appointed Whole-time Director on September 23, 2024.

4. Markets and Customer Segments Catered

Segment	Examples/Users	Fiscal Offerings/Applications
Government/Public	Law enforcement, smart cities, PSUs, defense	Surveillance, traffic monitoring, public safety
Enterprise/Corporate	Banks, insurers, retail chains, real estate	Video analytics, access control, monitoring
Institutional	Educational campuses, healthcare, hospitality	CCTV, attendance management, safety compliance
SME/Channel	System integrators, installers, channel partners	Custom solutions, distribution, support
Residential/Consumer	Homeowners, SOHO, small apartments	Smart Wi-Fi cams, home automation, dash cams

5. Segment Exposure

- Government Initiatives** : Channel partner for large public surveillance contracts (Smart City, Safe City projects), aided by Make in India advantages.
- ✦ **Private Sector** : Aggressive penetration of BFSI (Banking/Financial), malls, offices, and industrial complexes; piloting specialized solutions for logistics and critical infrastructure.
 - ✦ **Consumer Focus** : Direct-to-customer through flagship CP PLUS Galaxy stores and major e-commerce platforms for plug-and-play home solutions.

6. Industry Analysis

Market Dynamics

- ✦ **Market Size & Growth** : Indian video surveillance and security industry grew from about \$1B (FY2020) to \$1.3B (FY2025), expected to reach significant scale by FY2030 at 16.46% CAGR, led by urbanization, safety regulations, and rising awareness of security technology.
- ✦ **Industry Landscape:**
 - Historically fragmented, now rapidly consolidating due to Make in India initiatives.
 - Shift from heavy import dependence post-2020 toward domestic capacity.

Technology Trends

- ✦ **AI Emergence** : Video analytics (face recognition, object detection, crowd counting). Cloud and IoT enable remote management and advanced reporting.
- ✦ **Building Automation Integration** : Fire safety, access control, and smart systems integrations with proprietary and open protocols.
- ✦ **Service-Driven Models** : Subscription-based video monitoring, cloud storage, analytics driving recurring revenue.

Drivers and Challenges

Growth Drivers:

- ✦ Regulatory mandates (CCTV norms)
- ✦ Smart infrastructure expansion
- ✦ Rising crime awareness and home security
- ✦ Digital transformation across verticals

Challenges:

- ✦ Cost competition from global players (China-based)
- ✦ Rapid tech obsolescence
- ✦ Forex volatility
- ✦ Fragmented and price-sensitive Indian market

7. Financials of the Company

(Fig. in Cr)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	3,112	2,782	2,284
Total Revenue	3,122.93	2,795.96	2,295.56
YoY Growth (%)	11.8%	21.8%	—
EBITDA	258.39	236.48	181.05
EBITDA Margin (%)	8.27%	8.48%	7.9%
PAT	351.37	115.17	108.31
PAT Margin (%)	11.25%	4.13%	4.72%
D/E Ratio	0.41	0.96	1.31
ROCE (%)	33.27%	23.57%	23.27
Operating Cash flows	27.2	-180.4	55.7

NOTE: PAT is increased Due to exceptional items (Gain on account of fair valuation of previously held equity interest), FY25 PAT before Exceptional item is 102.7 Cr. and the margin is 3.29%

Key Financial Insights

- ✦ Revenue CAGR of ~16% from FY2023–FY2025
- ✦ EBITDA margin improvement via operating leverage and product mix
- ✦ FY2025 PAT jump due to scale and efficiency
- ✦ D/E drops to 0.41; IPO proceeds used partly for debt repayment
- ✦ ROCE >33%, indicating superior capital productivity

8. Peer Analysis

Listed Peer Comparison

- ✦ According to its RHP Their is No exact listed Indian peer matching AIL's size and business scope in pure-play surveillance.

9. IPO Details

Issue Structure

Item	Details
IPO Date	July 29–31, 2025
Shares Offered	1,92,59,258 (74.07L fresh, 1.19Cr OFS)
Face Value	₹1
Price Band	₹640–₹675
Lot Size	22 shares
Offer Size	₹1,300 Cr.
Post Issue Shares	11,72,13,212
Market Cap (Upper)	~₹7,911 Cr.
Promoter Holding	92.6% → 76.7% post-IPO
Listing	NSE, BSE
QIB:Retail:NII Split	75:10:15

Valuation Ratios

- ✦ EPS (FY2025 Post-IPO): ₹29.98
- ✦ P/E (Post Issue): ~22.5x(less due to Exceptional Items)
- ✦ Price/Book: 7.06x
- ✦ D/E drops to 0ROE: 34.53%41; IPO proceeds used partly for debt repayment
- ✦ ROCE: 33.27%
- ✦ D/E: 0.41

Benchmark Comparison

- ✦ Comparable electronics IPOs (Dixon, Syrma SGS) trade at 25–40x P/E.
- ✦ ALL is attractively priced given its financials, leadership, and market scarcity.

10. Should You Apply in the IPO?

Strengths

- ✦ **Market Leadership** : Top domestic player in electronic surveillance.
- ✦ **Brand & Distribution** : Strong CP PLUS recall; 1,000+ partners.
- ✦ **Financial Strength** : High ROE/ROCE, expanding margins, prudent leverage.
- ✦ **Tech Edge** : Proprietary solutions, AI/IoT integration, recurring revenue potential.
- ✦ **Valuation Comfort** : Reasonably priced vs peers in a fast-growing, underpenetrated market.

Risks

- ✦ **Competition** : Intense from global MNCs and local disruptors.
- ✦ **Tech Obsolescence** : Need for constant product innovation.
- ✦ **Macro Sensitivity** : Exposure to infrastructure and capex cycles.
- ✦ **Volatility** : No listed peer to anchor valuation post-listing.

Expert Recommendation

Investors with a **moderate risk appetite** and long-term vision should consider applying. ALL offers:

- ✦ Mid-to-long-term compounding potential
- ✦ Strong moat in Make in India electronics
- ✦ Likely listing gains due to scarcity premium
- ✦ Structural growth tailwinds from security, infrastructure, and digitization



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