IPO REVIEW

Pind Hospitality IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 28 September 2026

- The company is engaged in operating restaurants with QSR services in and around Pune.
- It is expanding its set up at Lonavala with IPO funds.
- The company is operating in a highly competitive and fragmented segment.
- Tiny post-IPO equity capital indicates longer gestation period for migration.
- Based on its recent average financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus/risk seekers may park moderate funds for long term.
- IN VIEW OF THE LIKELY BANK STRIKE FROM 28.09.26 TO 30.09.26, THE IPOS/PRIMARY OFFERS THAT ARE FALLING BETWEEN THESE THREE DAYS, IPOS SCHEDULE TIME LINE MAY CHANGE AND THE REVISED DATES WILL GET EFFECTIVE FOR OPENING AND / OR CLOSING SCHEDULES, AS THE CASE MAY BE. INVESTORS ARE REQUESTED TO MAKE A NOTE OF THIS.

About the Company

Pind Hospitality Ltd. (PHL) is engaged in providing QSR services in and around Pune. Its defined restaurant expansion and development process is balanced and focused on high potential locations such as, high street locations, residential cluster, upmarket corporate parks and weekend locations to cater to the dine-in customers and also meet the on-line delivery orders. PHL ensures that the Restaurants are consistent in terms of look and feel. 5 (five) of its Restaurants are under operation for more than 3 (three) years and new restaurant at Eleven West (Panchshil) was opened in the month of November 2024 and these Restaurants focuses on providing guests with an affordable dining experience with authentic north Indian cuisine, quality food and service in a modern ambience.

PHL also offers fixed price vegetarian and non-vegetarian fixed meals (Thali System) at all of its Restaurants, in addition to à la carte, to reduce the bite size encouraging consumption of a greater variety of dishes. While its restaurants focus to offer authenticate Punjabi dishes, it also offers oriental cuisine such as Chinese and Thai and have added around 200+ dishes to the menu.

With over 5 lakhs deliveries and recognized as one among the long-standing restaurant partners in Pune by third-party food delivery app, it has served around 4.31 lakhs, 4.30 lakhs, and 4.23 lakhs orders through multiple food delivery apps during the Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively. The increasing internet and mobile penetration within India, the advent of food delivery apps, changing lifestyles and consumer eating patterns in the recent past are key factors to lead consumers to consider convenience-driven options to traditional dine-in experiences.

Further, its revenue from third-party food delivery apps were Rs. 19.16.cr., Rs. 19.29. cr. and Rs. 17.95 cr. for the Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively. It intends to continue to focus on enhancing operations with the increased adoption of digital and technology measures to ensure greater customer satisfaction. PHL's services and diverse menu including various value offerings such as paneer tikka masala, dal makhani meal combo, veg and non-veg thali has led to steady increase in its revenue from operations. Further, as on the date of this Red Herring Prospectus, the Company has taken four (4) restaurants on leave and license basis in Pune, Maharashtra ("PHL Restaurants") and one (1) restaurant are taken on leave and license basis by Pind Punjab in Pune, Maharashtra ("PP Restaurants"). PHL Restaurants and PP Restaurants will be collectively referred to as "Restaurants".

As on the date of this Red Herring Prospectus, of the above five (5) restaurants, three (3) Restaurants are being operated by its partnership firm under the brand "Pind Punjab", and its restaurants located at Eleven West (Panchshil) and Viman Nagar are being operated by the Company. It discontinued restaurant in Baner during the Fiscal 2026, due to non-renewal of lease. Further, as on the date of this Red Herring Prospectus the Company also operates a food counter in an IT park in Pune. As of Marach 31, 2026, it had 135 employees on its payroll. Its Human Resources data on page no. 128 of the offer document has some garble in the total employees' figures.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 1800000 equity shares of Rs. 10 each to mobilize Rs. 17.82 cr. at the upper cap. The company has announced a price band of Rs. 93 – Rs. 99 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on September 28, 2026 and will close on September 30, 2026. The shares will be listed on BSE SME. The IPO constitute 30.01% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 12.70 cr. for capex on setting up a hotel-cum-banquet hall in Lonavala, Maharashtra, and the rest for general corporate purposes.

The IPO is solely lead managed by Fedex Securities Pvt. Ltd., while Bigshare Services Pvt. Ltd. is the registrar to the issue. Bhansali Value Creations Pvt. Ltd. is a market maker. Giriraj Stock Broking Pvt. Ltd. is a syndicate member. The IPO is underwritten to the tune of 15% by Fedex Securities Pvt. Ltd., and 85% by Giriraj Stock Broking Pvt. Ltd.

After issuing initial equity capital at par value, the company issued/converted further equity shares at affixed price of Rs. 60.00 per share between February 2023, and August 2023. It has also issued bonus shares in the ratio of 5 for 1 in March 2023. The average cost of the acquisition of shares by the promoters is Rs. 7.13, Rs. 7.14, and Rs. 7.43 per share.

Post-IPO, company's current paid-up equity capital of Rs. 4.20 cr. (4198812 equity shares) will stand enhanced to Rs. 6.00 cr. (5998812 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 59.39 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 20.87 cr. / Rs. 2.21 cr. (FY24), Rs. 23.17 cr. / Rs. 2.56 cr. (FY25), Rs. 24.91 cr. / Rs. 2.27 cr. (FY26). The company posted marginal growth in its top lines for the reported periods. But it posted lower net for FY26 that raise concern. Rising trade receivables year-on-year, raise alarms.

For the last three fiscals, the company has reported an average EPS of Rs. 5.64 and an average RoNW of 18.61%. The issue is priced at a P/BV of 2.86 based on its NAV of Rs. 34.59 per share as of March 31, 2026 , and at a P/BV of 1.84 based on its post-IPO NAV of Rs. 53.92 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 26.12, and based on FY25 earnings, the P/E stands at 23.19. The issue appears aggressively priced based on its recent average earnings.

The company has posted PAT Margins of 10.66% (FY24), 11.31% (FY25), 9.30% (FY26) and RoCE margins of 16.18%, 19.64%, 15.83%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends since its incorporation. 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 United Foodbrands, Speciality Restaurants, Vikram Kamats Hospitality, as its listed peers. They are currently trading at a P/E of NA, 27.8, and 38.0 (as of September 25, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 14th mandate from Fedex Securities Pvt. Ltd., in the last three fiscals (including the ongoing one). Out of the last 10 listings, 3 opened at discount, 1 at par, and the rest listed with a premium ranging from 6.11% to 90.00% on the listing date. The merchant banker has an average track record.

Conclusion / Investment Strategy

PHL is engaged in operating restaurants with QSR services in and around Pune. It is expanding its set up at Lonavala with IPO funds. The company is operating in a highly competitive and fragmented segment. Tiny post-IPO equity capital indicates longer gestation period for migration. Based on its recent average financial data, the issue appears aggressively priced. Only well-informed/cash surplus/risk seekers 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.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

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