ADITYA INFOTECH LIMITED

July 28, 2025

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	Surveillance and Security
Offer for sale (Shares)	11851851
Fresh Issue (Shares)	7407407
Net Offer to the Public	**19,259,258**
Issue Size (Rs. Cr.)	1232-1300
Price Band (Rs.)	640-675
Employee Discount	Rs. 60.00
Offer Date	29-Jul-25
Close Date	31-Jul-25
Face Value	1
Lot Size	22

Issue Composition

	In shares
Total Issue for Sale	19,259,258
QIB	14,444,444
NIB	2,888,889
Retail	1,925,926

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	93.12%	77.12%
QIB	0.00%	12.32%
NIB	6.88%	8.91%
Retail	0.00%	1.64%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

Prepayment and/or repayment of all or a portion of certain outstanding borrowings availed by the Company

General corporate purpose

Book Running Lead Manager

- ICICI Securities Limited
- IIFL Capital Services Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Aditya Infotech Limited (AIL) is a leading provider of video security and surveillance products and solutions under the 'CP Plus' brand. Its product portfolio spans smart home IoT cameras, HD analog systems, advanced network and thermal cameras, long-range IR devices, and AI-driven offerings such as automatic number plate recognition, people counting, and heat mapping. AIL caters to residential consumers with smart Wi-Fi and 4G-enabled cameras, dash cams, and more. In Fiscal 2025, the company offered 2,986 SKUs and sold products across 550+ cities and towns. Its nationwide presence includes 41 branch offices, 13 RMA centers, and a vast distribution network of over 1,000 distributors and 2,100 system integrators across Tier I to Tier III cities. AIL operates 10 warehouses across India, including locations in Delhi, Gurugram, Noida, Bhiwandi, Ahmedabad, Indore, Kolkata, Guwahati, Chennai, and Bengaluru. Its manufacturing operations are anchored at its Kadapa facility in Andhra Pradesh.

Strength

Market Leadership and Brand Strength in India's Surveillance Sector: Aditya Infotech Limited is the largest Indian provider of video security and surveillance products, with a 20.8% market share in Fiscal 2025. Operating under its flagship brand 'CP PLUS', the company addresses both commercial and consumer security needs through end-to-end solutions. Backed by strong brand recall and celebrity-driven marketing campaigns like "Uparwala Sab Dekh Raha Hai", AIL has set industry benchmarks in quality, innovation, and customer engagement. It operates 69 CP PLUS Galaxy stores and multiple CP PLUS World Centres, supported by multi-channel customer support and digital platforms.

Expansive Distribution and Service Network: AIL maintains one of the widest distribution networks in India, selling products across 550+ cities through over 1,000 distributors and 2,100 system integrators. As of March 31, 2025, the company operated 41 branch offices, 13 RMA centers, and had a workforce of 1,274 employees. The company also runs training programs and technical workshops nationwide, supported by a dedicated sales and service team. Its contact centers and after-sales services—including installation, repairs, and remote troubleshooting—demonstrate AIL's commitment to customer support.

Comprehensive Product Portfolio and Solutions: AIL offers a broad range of surveillance products under CP PLUS and Dahua brands, including CCTV cameras, NVRs, DVRs, thermal cameras, AI-integrated systems, mobile surveillance, access control, time-attendance systems, and smart home solutions. In Fiscal 2025, AIL offered 2,986 SKUs across diverse price points. The company also develops proprietary software such as HMS (health monitoring system), AMS (attendance system), CRM tools, and Edge AI boxes for advanced analytics. These products serve varied industries including real estate, banking, railways, and public institutions.

Strong Project Execution and Sectoral Reach: Aditya Infotech has successfully executed large-scale surveillance projects across India. Its integrated business model combines product supply, design, installation, and ongoing maintenance. AIL's ability to offer tailored solutions for different sectors—like AI-powered surveillance for banks or wide-coverage cameras for real estate—demonstrates deep sectoral expertise and adaptability. The company leverages its diversified sales channels, including distributors, integrators, retail partners, and e-commerce platforms, to avoid revenue concentration and drive sustained customer engagement.

Advanced Manufacturing and R&D Infrastructure: Through its Kadapa facility in Andhra Pradesh—one of the world's largest CCTV manufacturing units with a capacity of 17.2 million units—AIL has localized its manufacturing under the 'Make in India' initiative. The

plant features advanced SMT lines, IP and HD camera assembly, and rigorous quality control systems. An in-house R&D team of 86 professionals, based in Noida, focuses on innovation across AI/ML, IoT, embedded systems, and software solutions like ANPR and smart motion detection. Several of AIL's product lines are STQC-certified, aligned with regulatory requirements.

Strategic Collaborations and Sourcing Capabilities: To bolster its technological and manufacturing edge, AIL has formed partnerships with L&T Semiconductor, VVDN Technologies, and Dahua India. The company's past JV with Dixon Technologies helped establish its manufacturing base. AIL continues to strengthen indigenous design and sourcing, including collaborations to develop AI-based IP SoCs and smart surveillance devices for domestic and global markets.

Experienced Leadership and Skilled Workforce: Aditya Infotech is led by a seasoned management team with deep domain expertise. Chairman Hari Shanker Khemka and Managing Director Aditya Khemka have been pivotal in building the CP PLUS brand and steering business growth. The company's leadership is supported by a strong technical, engineering, and IT team, complemented by continuous skill development initiatives. As of March 31, 2025, AIL's R&D, engineering, and IT teams totaled over 140 personnel, enabling robust oversight and innovation across all business functions.

Strategy

Leverage India's Regulatory Framework for Cybersecurity to Strengthen Market Leadership: Aditya Infotech Limited stands to benefit significantly from India's new cybersecurity regulations mandating STQC certification for all internet-connected CCTV devices from April 9, 2025. These norms, driven by MeitY and BIS, include rigorous testing of hardware, firmware, source code audits, and factory inspections. Aditya Infotech already offers STQC-compliant products and is well-positioned to leverage its secure, indigenously developed solutions. The company believes this regulatory shift will provide momentum to domestic manufacturers and reinforce its market position. With integrated manufacturing, robust R&D, and strong quality focus, Aditya Infotech aims to contribute to India's vision of a secure, self-reliant digital infrastructure.

Continue to Innovate and Introduce New Products and Next Generation of Existing Products: Aditya Infotech Limited continues to expand its product portfolio through innovation and collaboration. It partners with external tech providers for advanced IP cameras and interactive displays while its R&D team focuses on dashboard cameras, thermal imaging, and whiteboards. The company also plans to enter energy management services. In partnership with SparkCognition, Aditya Infotech has launched CP PLUS.AI to offer scalable AI-powered video analytics. Over the next three years, it aims to develop both hardware and software solutions. By integrating AI across products, Aditya Infotech seeks to enhance operational efficiency and provide cost-effective, intelligent surveillance tools to its customer base.

Enhance Mobile Applications and Build a Unified AI Ecosystem: Aditya Infotech Limited is committed to expanding its digital offerings by enhancing its mobile apps and developing an integrated AI-powered platform. Its apps—EzyLiv/EzyKam+, CP Partner, and CP Plus IntelliServe—offer live streaming, partner support, and real-time system management. These tools cater to enterprise, retail, and dashcam users, enhancing security and user experience. The company is also developing a unified application that brings together its full range of surveillance solutions under one interface. Once STQC-compliant, Aditya Infotech plans to explore opportunities in the U.S. and other Western markets by leveraging its advanced product certifications and AI-integrated technology.

Expand Retail Presence through Experience Centres and Stores: Aditya Infotech Limited is expanding its retail reach through CP PLUS World experience centres and CP PLUS Galaxy stores. With five experience centres established as of March 2025, the company plans to open more in Tier II and III cities to showcase its full product range to distributors and end-users. It also aims to increase retail penetration through advertising, celebrity endorsements, and a stronger digital presence. Aditya Infotech is focused on driving online sales and boosting visibility of products such as Wi-Fi cameras, digital locks, and dash cams. These initiatives will help strengthen brand recall and customer engagement.

Focus on Service-Led Model and Enterprise Customers: Aditya Infotech Limited provides

tailored surveillance solutions for enterprise clients through collaborations with system integrators. It has executed large-scale projects involving attendance tracking, geofencing, incident management, and educational streaming. The company is scaling its enterprise team by hiring key account managers and solution architects to work with consultants and integrators. Aditya Infotech is also expanding its portfolio of services and integrated offerings to deliver complete security solutions. This approach positions the company as a comprehensive, one-stop provider for enterprise surveillance needs, capable of addressing sector-specific requirements with high-quality, customizable solutions.

Increase Production at Kadapa Facility: Aditya Infotech Limited plans to scale production at its Kadapa Facility, supporting the 'Make in India' initiative. With an installed capacity of 17.20 million units as of March 2025, the facility offers room for expansion to meet growing demand. The company is also investing in manufacturing infrastructure for plastic and metal housings used in security devices. These components enhance product durability, weather resistance, and industrial usability. By manufacturing key components in-house, Aditya Infotech aims to strengthen product quality, reduce dependence on imports, and increase operational efficiency, aligning with India's goal of becoming a global manufacturing hub.

Risk Factor

- In Fiscal 2025, CCTV, NVRs, DVRs, and PTZ cameras contributed 77.47% of Aditya Infotech Limited's revenue. A decline in demand or changing preferences could impact its performance.
- Aditya Infotech Limited relies on a few suppliers for key parts. Any supply disruption could affect its operations and financials.
- The company imports parts mainly from China. Import restrictions or price fluctuations may impact costs and profitability.
- Its only manufacturing facility is in Andhra Pradesh, making it vulnerable to local disruptions like political unrest or natural disasters.
- Dahua products accounted for 24.65% of revenue in Fiscal 2025. Supply issues or termination of agreements may adversely affect the company.

Peer Comparison

There are no listed companies in India that are comparable in all aspects of business and services that the Company provides. Hence, it is not possible to provide an industry comparison in relation to the Company.

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.675, the stock is priced at pre issue P/E of 21.09 x on FY25 EPS of Rs.32. Post issue, the stock is priced at a P/E of 22.52x on its EPS of Rs. 29.98. Looking at the P/B ratio at Rs. 675 pre issue, book value of Rs.92.68 of P/Bvx 7.28x. Post issue, book value of Rs.129.48 of P/Bvx 5.21x.

Considering the P/E valuation, on the lower end of the price band of Rs.640, the stock is priced at pre issue P/E of 20 x on FY25 EPS of Rs. 32. Post issue, the stock is priced at a P/E of 21.35x on its EPS of Rs. 29.98. Looking at the P/B ratio at Rs. 640 pre issue, book value of Rs. 92.68 of P/Bvx 6.91x. Post issue, book value of Rs.129.48 of P/Bvx 4.94x.

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%.

Outlook

Aditya Infotech Limited is well-placed to capitalize on India's growing surveillance market, supported by strong brand equity, extensive distribution, advanced R&D, and regulatory alignment. Continued innovation and expansion strategies bolster long-term prospects. However, high revenue concentration, supplier dependency, and import reliance pose key risks. Effective execution, diversification, and supply chain resilience will be critical to sustaining momentum.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	29-July-25
BID/ISSUE CLOSES ON	31-July-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	01-August-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	04-August-25
Credit of Equity Shares to Demat Accounts of Allottees	04-August-25
Commencement of trading of the Equity Shares on the Stock Exchanges	05-August-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	3111.87	2782.43	2284.55
Total expenditure	2864.54	2559.48	2124.00
Operating Profit	**247.33**	**222.94**	**160.55**
OPM%	0.79	0.80	0.70
Other Income	11.05	13.53	11.01
Total Net Income	**258.39**	**236.48**	**171.56**
Interest	41.81	30.91	23.22
PBDT	**216.58**	**205.57**	**148.33**
Depreciation	31.12	15.71	8.85
Restated Profit before share of profit in joint venture and tax	**185.45**	**189.86**	**139.48**
Share of profit in joint venture	0.00	0.00	9.49
Restated Profit before exceptional items and tax	**185.45**	**189.86**	**148.97**
Exceptional items	-248.63	25.24	5.79
Restated Profit before tax	**434.08**	**164.62**	**143.18**
Tax	82.71	49.45	34.87
Profit & Loss	**351.37**	**115.17**	**108.31**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Property, plant and equipment	131.80	21.48	26.43
Right of use assets	61.33	47.67	36.85
Capital work in progress	16.70	0.24	0.18
Investment property	0.35	0.38	0.41
Goodwill	534.95	0.00	0.00
Other intangible assets	11.23	0.78	1.13
Intangible assets under development	13.46	15.26	6.38
Investment accounted for using the equity method	0.00	0.00	29.45
Financial assets			
Investments	0.52	0.61	0.51
Others financial assets	11.94	4.66	17.92
Deferred tax assets (net)	18.30	7.96	6.65
Income tax assets (net)	2.94	0.80	0.80
Other non current assets	15.15	11.13	4.16
Total non-current assets	**818.67**	**110.96**	**130.88**
Current asset			
Inventories	870.53	509.21	511.05
Financial assets	0.00	0.00	0.00
Trade receivables	1039.26	734.27	614.96
Cash and cash equivalents	135.93	39.47	147.65
Other bank balances	45.94	31.17	223.82
Loans	0.00	8.25	0.00
Other financial assets	196.43	181.45	63.27
Other current assets	67.79	29.41	17.14
Total current assets	**2355.87**	**1533.22**	**1577.88**
Total Assets	**3174.54**	**1644.18**	**1708.76**
Non-current liabilities			
Borrowings	14.99	28.02	42.78
Lease liabilities	28.49	17.91	9.68
Others financial liabilities	7.60	0.00	0.00
Provisions	12.49	8.94	7.26
Total Non-current liabilities	**63.58**	**54.87**	**59.73**
Current liabilities			
Borrowings	397.86	377.44	366.82
Lease liabilities	15.97	12.91	7.59
Supplier's credit	52.05	0.00	0.00
Trade payables - Micro and small enterprises	23.70	8.00	11.51
Trade payables - Other than micro and small enterprises	1319.03	592.23	897.50
Other financial liabilities	208.68	136.00	24.76
Provisions	9.40	8.47	6.48
Current tax liabilities (net)	11.51	2.61	3.35
Other current liabilities	55.10	27.44	19.45
Total Current liabilities	**2093.29**	**1165.09**	**1337.44**
Total	**2156.87**	**1219.97**	**1397.17**
Net worth represented by:			
Equity share capital	10.98	2.05	2.05
Other equity	1006.69	422.16	309.54
Net Worth	**1017.67**	**424.21**	**311.59**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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