

28th July 2025

CAPTURING THE INFLECTION POINT – AIL AS THE EYES OF THE COUNTRY

Aditya Infotech Ltd. (AIL), under its widely recognized ‘CP PLUS’ brand, offers a comprehensive range of advanced video security and surveillance products and solutions for both enterprise and consumer segments. Its offerings include AI- and IoT-enabled technologies, integrated security systems, and Security-as-a-Service, catering to sectors such as banking, healthcare, defence, retail, and law enforcement. The business is divided into manufacturing and trading of CP PLUS products and distribution of Dahua products collectively commanding ~25% market share in India with over 2,900 SKUs in FY25.

Industry tailwinds to benefit Indian manufacturers, AIL best placed to reap benefits.

India’s video surveillance market is witnessing strong growth, valued at ₹106.2 billion in FY25 and projected to reach ₹227.4 billion by FY30, growing at a CAGR of 16.46% (F&S). Unit sales are also set to rise from 39.7 million in FY25 to 74.6 million by FY30, reflecting increasing demand for security solutions. Further, to enhance the safety and quality of video surveillance, MeitY has mandated that all CCTV cameras sold in India post-April 9, 2025, must be STQC certified. This move addresses rising cybersecurity concerns linked to low-cost, uncertified imports lacking basic protections. The regulation benefits Indian OEMs, who can more readily comply with STQC norms, creating short-term advantages such as a first-mover edge for certified brands like CP Plus, exclusive access to government contracts under the Public Procurement Order, and increased entry barriers for foreign competitors due to high certification costs and supply chain challenges.

Extensive reach with support of India’s largest manufacturing unit

AIL has the most extensive pan-India presence in the video surveillance market, with its products available in over 550 cities and towns. As of FY25, the company operated through 41 branch offices and 13 RMA centres across the country. In FY25, AIL distributed its surveillance products through a robust network of 1,000+ distributors (79.6% of sales), >2,100 system integrators (16.2% of sales) across tier I, II, and III cities & e-commerce & retailers (4.3% of sales). This widespread operation is supported by its 3rd largest mfg. facility in the world located in Kadapa, Andhra Pradesh having a capacity of 17.2 mn units p.a. This is augmented by AIL’s R&D centre at Noida having ~86 employees as of FY25. The facility is operating at ~77% utilization as of FY25.

Comprehensive offerings with strategic collaborations for technology

AIL partners with leading technology firms to develop customized video surveillance solutions, strengthening its manufacturing and tech capabilities. It previously operated a JV with Dixon Technologies, whose stake it acquired on September 18, 2024; Dixon also subscribed to 7.3 mn equity shares under a July 2024 agreement. Supporting the ‘Make in India’ initiative, Aditya Infotech signed a collaboration with L&T Semiconductor to develop indigenous IP SoCs and AI-driven CCTV products. It also works with VVDN Technologies on product engineering and design and holds exclusive distribution rights for Dahua products in India (~25% of FY25 revenues).

Risks- 1) AIL relies on suppliers from outside India for critical components, any disruption may hamper production. 2) Dependence on single manufacturing unit in Andhra Pradesh, any regulatory or geographical adversaries can affect operations. 3) Any non-compliance in regulatory or quality standards can affect brand image.

Opinion- The IPO is a mix of OFS (₹800 cr) & fresh issue (₹500 cr). The company intends to reduce borrowings with the proceeds. **At the upper price-band, the issue is valued at 43x P/E.** With the STQC norms implementation, the industry stands at an inflection point & AIL with its manufacturing muscle & strong brand image is best placed to benefit from the tailwinds created. We recommend “**SUBSCRIBE**” to the issue.

Rating	Subscribe
Issue Details	
Issue Opens	29-July-25
Issue Closes	31-July-25
Face Value (₹)	1
Price Band (₹)	640-675
Bid Lot	22
Issue Size at higher price band (₹ Cr)	1,300
Market cap. @ upper price band (₹ cr)	7,911
Listing	NSE/BSE
BRLMs	ICICI Securities, IIFL Capital.
Registrar	MUFG Intime India Pvt. Ltd.

Shareholding Pattern (%)

	Pre-Issue	Post Issue
Promoter	92.6	76.7
Others	7.4	23.3

Issue Structure (In cr. no. of shares)

Issue size	1.92
Break-up of net issue to public (%):	
QIB's portion	75%
Non-Institutional portion	15%
Retail Portion	10%

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Financials-

Particulars	FY23	FY24	FY25
Operating Revenue	2,285	2,782	3,112
EBITDA	161	223	247
EBITDA Margins	7.0%	8.0%	7.9%
Net Profit/ (Loss)	149	190	185
Net Worth	312	424	1,018
Debt	410	405	413
Cash & Bank	371	71	182
Net Debt	38	335	231
Net Debt/ Equity	0.1	0.8	0.2
ROE	48%	45%	18%

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