



IPO Report

28th July '25

Snapshot

Company offer a comprehensive range of advanced video security and surveillance products, technologies and solutions for enterprise and consumer segments under its 'CP PLUS' brand which has strong recall value. In addition, company offer solutions and services such as fully integrated security systems and Security-as-a-Service directly and through its distribution network who address the requirements of end-customers engaged in a broad range of sectors such as banking, insurance, real estate, healthcare, industrial, defence, education, hospitality, manufacturing, retail and law enforcement.

VALUATION

Company is bringing the issue at price band of Rs 640-675 per share at p/e multiple of approx. 23x on post issue FY25 basis.

Company is largest Indian player in the growing Indian security and video surveillance market focusing on commercial and consumers segments with strong brand recall. Company has pan-India sales, distribution and service network catering to a diversified customer base. Company has Comprehensive portfolio of electronic security and surveillance products, solutions and services, providing end to end security solutions across verticals.

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Price Band (Rs./Share)	640-675
Opening date of the issue	29th July '2025
Closing Date of the issue	31st July '2025
No of shares pre issue	10,98,05,805 Eq Shares
Issue Size	Rs 1300 Cr
Fresh issue	Rs 500 Cr
Offer For Sale	Rs 800 Cr
Face Value (Rs/ share)	Rs 1/share
Employee Discount	Rs 60/share
Bid Lot	22

BIDDING DETAILS

QIBs (Including Anchor)	50% of the offer (Approx 1,43,77,777 Eq Shares)
Non-Institutional	15% of the offer (Approx 28,75,556 Eq Shares)
Retail	35% of the offer (Approx 19,17,036 Eq Shares)
Employee Reservation	Rs 6 Cr
Lead managers	ICICI Securities, IIFL Securities
Registrar to the issue	MUFG Intime India Pvt Ltd

WHAT WE LIKE

Largest Indian Player in the Growing Indian Security and Video Surveillance Market focusing on Commercial and Consumers Segments with Strong Brand Recall

Company is the largest provider of video security and surveillance products, solutions and services in India in terms of revenues, with a market share of 20.8% in Fiscal 2025. (Source: F&S Report) Company's suite of security-related service offerings and end-to-end solutions enables company's customers across India to meet their security and surveillance requirements and to save operational and administrative costs in managing diverse security requirements, thereby facilitating efficient problem-solving.

Pan-India Sales, Distribution and Service Network Catering to a Diversified Customer Base

Company attribute the scale of its operations to company's pan-India sales and distribution network that have continued to expand since company commenced operations. Company have the widest pan-India reach within the video surveillance market ecosystem. (Source: F&S Report) Company's products are sold in over 550 cities and towns and it operate through a network of 41 branch offices and 13 RMA centres across India, all as of March 31, 2025. Company sold its surveillance products through its network of over 1000 distributors in tier I, tier II and tier III cities, and over 2,100 system integrators in Fiscal 2025. Company have grown its network over the years by leveraging its extensive knowledge of the security and surveillance ecosystem and company's relationship with stakeholders in the industry

Entrenched Relationships Augmenting Technology Competencies and Sourcing Capabilities

Company collaborate with various technology partners to design and innovate products and provide solutions tailored to specific customer requirements. Company have entered into arrangements that allow it to augment its manufacturing competencies, technology prowess and global technology know-how. Historically, company's partnership with Dixon, an electronics manufacturing services company in India, through a joint venture, has enabled company to expand on its manufacturing operations



COMPANY BACKGROUND

Company's business is primarily classified as: (i) manufacturing and trading activities; and (ii) trading activities. Company's manufacturing and trading activities include the manufacture and sale of company's CP PLUS products and the provision of after-sales services in relation to the CP PLUS products sold by company, while its trading activities are limited to distribution of products of Dahua.

Company was assigned the 'CP PLUS' brand in 2014 with the aim of providing wider access to cost-effective security and surveillance products, solutions and services.

Company's product portfolio, including products that it source from third parties, deploy wide variety of security technologies such as artificial intelligence ("AI") and machine learning ("ML") to deliver Edge-based AI analytics, all developed inhouse by its dedicated research and development ("R&D") team, integrated Internet of Things ("IoT") ecosystem for connected and smart homes as well as a number of cloud services, including health monitoring systems ("HMS") and attendance management systems ("AMS"). Company's product line comprises high definition ("HD")-analog cameras, digital video recorders ("DVRs"), internet protocol ("IP") network cameras, network video recorders ("NVRs"), biometric products, access control products, mobile surveillance solutions, body-worn cameras, thermal cameras, temperature screening solutions, interactive displays, routers, cables, power supplies ("SMPS"), racks and other accessories and products. Company also partner with other companies and government agencies to develop indigenized innovations including Indian-made Systems on Chips ("SoCs") and thermal cameras.

Company offer field management services that include annual preventive maintenance services and quick response services, electric vehicle station management services, IoT automation services, door automation and access control systems.

Company's services are made available through its partners, system integrators and system assemblers to their end-customers. Company also assist in conceptualizing and executing customized products and solutions for diverse security requirements of customers. Company have recently launched, CP PLUS AI powered by an AI-solution that extends the functionality of traditional CCTV cameras to include intelligent video analytics.

In Fiscal 2025, company sold products in over 550 cities and towns in India. Company's operations are backed by its network of 41 branch offices and 13 return merchandise authorization ("RMA") centres across India, as of March 31, 2025. Company sold its surveillance products through company's network of over 1,000 distributors in tier I, tier II and tier III cities, and over 2,100 system integrators in Fiscal 2025. Company also organize training programs for its distributors in tier I, tier II and tier III cities to build engagement, and company schedule dealer meetings across India to keep stakeholders updated on advanced surveillance technologies that company offer. Company provide training involving its products at its branches as part of structured workshops, and company have trained third-party installers and technicians as part of these workshops. These workshops enable system integrators and partners to deliver its solutions more effectively to customers. To reach customers across India, company have also established 69 dedicated CP PLUS Galaxy stores operated by its distributors across India as of March 31, 2025.

Company currently operate 10 strategically located warehouses spread across the country, located in Delhi, Gurugram, Haryana and Noida, Uttar Pradesh in North India; Bhiwandi, Maharashtra, Ahmedabad, Gujarat and Indore, Madhya Pradesh in West India; Kolkata, West Bengal and Guwahati, Assam in East India; as well as Chennai, Tamil Nadu and Bengaluru, Karnataka in South India. These warehouses enable effective inventory management, where Noida, Uttar Pradesh; Bhiwandi, Maharashtra; Kolkata, West Bengal; and Chennai, Tamil Nadu, act as regional hubs to liaise between stakeholders.

In the electronics industry, particularly in the video surveillance segment, India has witnessed a significant emphasis on domestic manufacturing as part of the 'Make in India' initiative. (Source: F&S Report) The 'Make in India' initiative aims to encourage innovation companies to manufacture products within India, boosting the local economy and creating job opportunities. It focuses on promoting self-reliance and developing indigenous capabilities in the video surveillance industry. (Source: F&S Report) By encouraging domestic production of video surveillance equipment, India's import substitution efforts aim to create a more self-reliant trade framework in this specific sector. (Source: F&S Report)

Company align with this vision by emphasizing the production of high-quality technology products and solutions within India. As of March 31, 2025, company's manufacturing facility in Kadapa, Andhra Pradesh ("Kadapa Facility") has an installed capacity of 17.20 million units per annum. Spread over an area of 204,157.36 square feet, the Kadapa Facility includes advanced manufacturing infrastructure such as high-speed surface mount technology ("SMT") lines, assembly lines and stringent quality control equipment. In addition, company have implemented firm quality control measures and have a dedicated quality control team to ensure quality inspection at different stages of the manufacturing process. In line with its focus to provide end-to-end product solutions and to develop better control on its supply chain and improve its margins, company have backward integrated company's major manufacturing processes.

To comply with its environmental, social and governance obligations, company actively recycle and process e-waste generated as part of its operations. For instance, company have wastewater and effluent treatment plants in place. Further, company maintain an ongoing audit system, including both internal and external audits, designed to help identify and mitigate risks.

Company's manufacturing operations are backed by company's R&D initiatives for which company have established a dedicated R&D facility in Noida, Uttar Pradesh. Its R&D measures are instrumental in incorporating customer feedback and focus on development of new products and technology. Company have a dedicated R&D team of 86 employees, as of March 31, 2025. Company believe its leadership position is attributable to its integrated manufacturing operations, technology infrastructure, comprehensive quality control systems and focus on adapting its offerings to cater to evolving customer requirements



INVESTMENT RATIONALE

<i>Comprehensive Portfolio of Electronic Security and Surveillance Products, Solutions and Services, Providing End to End Security Solutions Across Verticals</i>	Company's CP PLUS' and 'Dahua' brands are amongst the prominent brands for CCTV and security products in India in terms of diversity of offerings as of March 31, 2025. Company'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 onboard 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.
<i>Advanced Manufacturing and Research and Development Capabilities with Focus on Quality</i>	Company have leveraged the 'Make in India' initiative for its manufacturing operations. Pursuant to a joint venture agreement with Dixon Technologies in 2017, company had established India's largest CCTV manufacturing facility in Tirupati, Andhra Pradesh (<i>Source: F&S Report</i>) which has now relocated to Kadapa, Andhra Pradesh. Company was the first player in the security and surveillance industry to localize production in India. (<i>Source: F&S Report</i>) In Fiscal 2024, company relocated its manufacturing facility to Kadapa, Andhra Pradesh and the Kadapa Facility is the third largest CCTV manufacturing facility in the world in terms of units manufactured in Fiscal 2025 with a capacity of 17.20 million units per annum, as of March 31, 2025.
<i>Entrenched Relationships Augmenting Technology Competencies and Sourcing Capabilities</i>	Company collaborate with various technology partners to design and innovate products and provide solutions tailored to specific customer requirements. Company have entered into arrangements that allow it to augment its manufacturing competencies, technology prowess and global technology know-how. Historically, company's partnership with Dixon, an electronics manufacturing services company in India, through a joint venture, has enabled company to expand on its manufacturing operations. On September 18, 2024, company acquired Dixon's stake in the joint venture. Pursuant to agreements dated July 8, 2024, Dixon has also subscribed to 7,305,805 Equity Shares of face value of ₹1 each of Company.
<i>Experienced Management Team Backed by a Committed Employee Base</i>	Company is led by a qualified senior management team with considerable industry experience. Company's Board of Directors provides vision and guidance in its growth strategies and oversees its operations through strategic committees. Company's Managing Director, Aditya Khemka, has approximately 29 years of experience in security solutions and IT, and is responsible for establishing and growing the 'CP PLUS' brand. Hari Shanker Khemka, its Chairman and Whole-time Director, and Aditya Khemka, its Managing Director, have been instrumental in setting up and growing its business. Company's Board of Directors also includes a healthy mix of Independent Directors, and is focused on adopting sound corporate governance practices



OBJECTS OF OFFER

The Offer comprises of a Fresh Issue, aggregating up to ₹5,000.00 million by Company and an Offer for Sale by the Selling Shareholders, aggregating up to ₹8,000.00 million, the objects of the Offer are to (i) to carry out the Offer for Sale of up to ₹20,000.00 million by the Promoter Selling Shareholder; and achieve the benefits of listing the Equity Shares on the Stock Exchanges.

Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Prepayment and/or repayment of all or a portion of certain outstanding borrowings availed by Company; and
2. General corporate purposes.

RISKS

Company's financial performance is primarily dependent on the revenue from sale of closed circuit television ("CCTV") cameras, network video recorders ("NVRs"), digital video recorders ("DVRs") and pan-tilt-zoom ("PTZ") cameras which collectively contributed to 77.47% of its revenue from operations in Fiscal 2025. Variations in demand and changes in consumer preference towards CCTV cameras, NVRs, DVRs, PTZs cameras and other surveillance equipment could have an adverse effect on its business, results of operations, cash flows and financial condition.

Source: RHP

INDUSTRY OVERVIEW

Market size and forecast by industry segments – revenue and volume

Commercial

India's commercial video surveillance market showed a steady growth since fiscal year Fiscal 2021. This trend is projected to continue through Fiscal 2030. Sales in Fiscal 2025 reached a noteworthy 14.7 million units, generating revenue of ₹. 39.4 Billion Looking ahead, the segment is anticipated to maintain a robust growth trajectory with a CAGR of 12.9% for unit sales and 15.8% for revenue, from Fiscal 2025 to Fiscal 2030. The prospective growth of the commercial segment within the video surveillance market in India is underpinned by a series of initiatives and developments aimed at fortifying security measures across diverse sectors. In the Banking, Financial Services, and Insurance (BFSI) domain, the Reserve Bank of India (RBI)'s security guidelines mandate rigorous security measures, including the installation of CCTV cameras at entry and exit points of the strong room and the common areas of operation. This, along with the Safe Banking Initiative launched by the Indian Banks' Association (IBA), underpins the substantial growth impetus within the BFSI sector. The combined effect of these initiatives and regulations propels the demand for advanced surveillance solutions and strengthen security measures in banks.

In the hospitality sector, the government's focus on developing world-class tourist infrastructure as a part of Incredible India Tourist Infrastructure Development Scheme is expected to elevate security measures in hotels and tourist destinations. The installation of CCTV is poised to play a pivotal role in ensuring guest and visitor safety in public areas, parking lots, and guest rooms, thereby enhancing the overall experience and building trust with potential customers.

For the important healthcare sector, growth is driven by a systematic approach to enhance patient safety, regulatory compliance, and operational efficiency. Key security challenges in this vertical include limiting access to private areas, preventing record tampering or theft of resources, monitoring staff and visitor behaviour, tracking foot traffic and overseeing daily operations. Specifically, video surveillance solutions play a crucial role in safeguarding the maternity ward, facilitating infant safety, and location monitoring to prevent threats such as abduction and baby swapping. The integration of video surveillance with access control and emergency communication systems offers a comprehensive security solution for newborns, the most vulnerable patients in hospitals. Intrusion detection systems, perimeter monitoring, and access control systems are instrumental in providing overall security, preventing unauthorized access, and maintaining a safe environment for patients and staff alike. This integrated approach, aimed at addressing specific safety and security concerns within healthcare facilities, underpins the significant



Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25
Total Revenue (A)	22845.47	27824.26	31118.72
Total Expenditure (B)	21239.99	25594.83	28645.39
EBIDTA	1605.48	2229.43	2473.33
EBIDTA Margin	7.03	8.01	7.95
Other Income	110.09	135.34	110.54
Depreciation	88.52	157.13	311.23
EBIT	1627.05	2207.64	2272.64
Interest	232.23	309.09	418.12
PBT	1394.82	1898.55	1854.52
Share of profit in Asso	0.00	0.00	0.00
PBIT	1394.82	1898.55	1854.52
Exceptional	0.00	0.00	-2486.30
PBT	1394.82	1898.55	4340.82
Tax	348.71	494.47	827.13
PAT	1046.11	1404.08	3513.69
NPM	4.58	5.05	11.29
ROE%	34.76	27.15	34.53
EPS	10.57	11.24	33.02
Eq Cap	20.50	20.50	109.81
Net Worth	3,115.94	4,242.09	10,176.67

(Source: RHP)

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