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IPO Report

23rd June 26

Snapshot

Company is one of the domestic ocean cruise operators in India, offering luxurious and inherent Indian experiences. This enables company to set industry benchmarks, foster brand loyalty, and establish pricing standards, thereby strengthening company’s market presence and creating a strong competitive position. Company currently operate a cruise vessel, the ‘MV Empress’, and since its launch, 730,819 guests have sailed on company’s cruise vessel, which has covered more than 321,292.53 nautical miles along the Indian coastline and surrounding islands as of March 31, 2026. In Fiscal 2025, company accounted for approximately 79% of the market share in value terms. Company’s cruise vessel primarily sails to domestic destinations such as Mumbai (Maharashtra), Goa, Kochi (Kerala), Chennai (Tamil Nadu), Lakshadweep, Visakhapatnam (Andhra Pradesh), and Puducherry. Company have in the past and continue to offer international itineraries to Hambantota, Trincomalee, and Jaffna (Sri Lanka), Phuket (Thailand), Singapore, Kuala Lumpur and Langkawi (Malaysia).

VALUATION

Company is bringing the issue at price band of Rs 769-808 per share at p/e multiple of 112x on post issue FY26 PAT basis. Company is pioneer in the ocean cruise tourism in India, well-positioned to capitalize on industry tailwinds. Company has India-focused cruise experience with diverse amenities; & significant direct bookings optimizing margins .Also, company has outsourced critical cruise operations enhancing efficiency and scalability and seasoned management team delivering financial growth. Hence, we recommend “Subscribe” to issue.

Price Band (Rs./Share)	769-808
Opening date of the issue	23rd June ‘2026
Closing Date of the issue	25th June ‘2026
No of shares pre issue	6,51,54,444 Eq Shares
Issue Size	Rs 585 Cr
Fresh Issue	Rs 585 Cr
No of Shares in Fresh issue	72,40,099 Eq Shares
Face Value (Rs/ share)	Rs 10/share
Bid Lot	18
BIDDING DETAILS	
QIBs (Including Anchor)	75% of the offer (Approx 54,30,076 eq Shares)
Non-Institutional	15% of the offer (Approx 10,86,014 eq Shares)
Retail	10% of the offer (Approx 7,24,009 eq Shares)
Lead managers	Centrum Broking
Registrar to the issue	MUFG Intime India Pvt Ltd

WHAT WE LIKE

Pioneer in the ocean cruise tourism in India, well-positioned to capitalize on industry tailwinds

Company is the domestic ocean cruise operators in India, offering luxurious and inherent Indian experiences. Company’s cruise vessel, the ‘MV Empress’, has a capacity to accommodate up to 2,005 guests with several cabins featuring private balconies that offer ocean views. Company provide a range of amenities, including multiple dining venues, a casino, a theater, a spa, swimming pools and various entertainment options such as live music, magic shows, and professional theatrical performances. The ‘MV Empress’ sails along the Indian coastline and surrounding islands, offering a variety of itineraries.

Significant direct bookings optimizing margins

As of March 31, 2026, company’s direct booking is supported by company’s call centers which employs 148 cruise holiday experts, contributing to the efficiency and effectiveness of company’s direct sales, ensuring seamless customer interactions and booking experiences. Company’s team of cruise holiday experts has grown from 111 as of March 31, 2024 to 157 and 148 as of March 31, 2025 and March 31, 2026.

Outsourced critical cruise operations enhancing efficiency and scalability

Company have strategically outsourced critical cruise operations to enhance operational efficiency and scalability. Company have entered into agreements with third-party service providers such as SA Cruise Services Limited, Apollo Export Warehouse LLC, Campbell Cruise & Yacht Management Limited, and Wizcraft Entertainment Agency Private Limited to manage its key operations which include food and beverages, housekeeping, crewing, technical management, deck & engine crew management, and entertainment.



COMPANY BACKGROUND

Company's itineraries are designed to showcase India's coastal regions and cultural heritage, providing guests with an enriching travel experience and establishing itself as the go-to choice for luxury and cultural cruising. Company's cruise vessel 'MV Empress' offers a variety of cabin options, including one chairman's suite, five suites, 63 mini suites, 416 ocean-view staterooms, and 311 interior staterooms, totaling 796 cabins, with prices ranging from ₹ 34,164 (interior rooms) per night to ₹ 151,111 (Chairman suite) per night, subject to dynamic pricing and load factor considerations.

Company offer a diverse culinary experience, providing a variety of food options such as pan-Asian, international, and Indian cuisine, including Jain food options. Company also organize live performances and themed shows inspired by Indian Cinema such as 'Indian Cinemagic', 'Balle Balle', 'Burlesque – Bollywood Way', 'Razzmatazz', and 'Romance in Bollywood'. Company offer a wide range of amenities for all age groups, including a children's academy, gaming arcade, spa and salon, retail outlets, casino, fitness center, a rock climbing wall, and swimming pools. Company also offer specialized arrangements for Meetings, Incentives, Conferences, and Exhibitions ("MICE") events and weddings, with comprehensive services that include venue arrangements, catering, entertainment, and accommodation.

Company's guests have options to book their cabins either directly with company through its website, mobile application and over the phone, or through third-party travel agents. Historically, a majority of company's cabins have been booked directly with company, reflecting company's guests' trust and preference for its straightforward and efficient booking process. For the Fiscal 2026, 2025 and 2024, company directly sold 62.25%, 62.98% and 59.96% of the total cabins, respectively. Direct bookings reduce commissions paid to travel agents and improve company's margins. It also provides an additional opportunity to directly engage with its guests, enabling company to strengthen its brand awareness and deliver a more personalized and memorable experience. As of March 31, 2026, company's direct booking is supported by its call centers, which employs 148 cruise holiday experts. Their contribution enhances the efficiency and effectiveness of company's direct sales, ensuring seamless customer interactions and booking experiences.

The overnight ocean and coastal cruise industry in India is estimated to be valued at ₹ 8,301 million in Fiscal 2025, compared to ₹ 5,764 million in Fiscal 2020, reflecting a CAGR of approximately 8% between Fiscal 2020 and Fiscal 2025, and in medium term the market is projected to increase to ₹ 18,200 million to ₹ 22,500 million by Fiscal 2031, thereby registering a CAGR of approximately 20% to 25% from Fiscal 2026 to Fiscal 2031, driven by increase in total number of itineraries, infrastructure investments, growing domestic cruise adoption, and increased awareness about cruise travels. Further, as of 2025 (Fiscal 2026), estimated cruise penetration in developed markets like North America stood at approximately 5.7% whereas cruise market penetration of India stood at approximately 0.01%, indicating untapped potential. This low penetration of cruise industry in India coupled with growing awareness of cruising, improving port infrastructure, rising disposable incomes, increasing trend of experiential travel, etc. provides the industry massive growth opportunities for cruise operators to expand in India. With the Government of India's commitment to transforming India into a global hub for cruise tourism, the Cruise Bharat Mission, launched by the Ministry of Ports, Shipping, and Waterways, aims to double cruise passenger traffic by 2029. This initiative includes developing world-class infrastructure, enhancing digitalization and decarbonization, and creating tailored fiscal and financial policies to support the growth of the cruise industry. Company is well-positioned to capitalize on industry tailwinds by leveraging its existing cruise vessel and introducing two new cruise vessels, 'Norwegian Sky' and 'Norwegian Sun', each with a capacity of up to 2,004 and 1,936 guests respectively. Company also intend to introduce new cruise itineraries and destinations tailored to various traveller segments, including families, couples, and corporate groups, and enhancing its service offerings with upgraded dining options featuring specialty restaurants and local cuisine, upgrading cabins with modern amenities and private balconies, and introducing new entertainment options such as live performances and international acts. These initiatives are designed to meet the growing demand for cruise experiences in India.

OBJECTS OF OFFER

The Issue comprises of a Fresh Issue of Equity Shares, aggregating up to ₹ 5,850.00 million by Company, subject to finalization of basis of Allotment.

Requirements of funds

- Payment towards deposit/ advanced lease rental and monthly lease payments to company's step-down subsidiary, Baycruise Shipping and Leasing (IFSC) Private Limited ("Baycruise IFSC").
- General corporate purposes

RISKS

Company currently undertake its operations through a single cruise vessel, the 'MV Empress'. Any disruption to company's cruise vessel could lead to operational disruptions and adversely impact its business, results of operations, financial condition and cash flows.

Source:RHP



Consolidated Financials

(Rs in Mn)

Financials	FY24	FY25	FY26
Total Revenue (A)	4440.60	5906.05	5797.45
Total Expenditure (B)	3410.09	3822.24	4695.14
EBIDTA	1030.51	2083.81	1102.31
EBIDTA Margin	23.21	35.28	19.01
Other Income	80.94	70.78	72.49
Depreciation	1842.53	629.88	304.89
EBIT	-731.08	1524.71	869.91
Interest	351.34	384.85	87.40
PBT	-1082.42	1139.86	782.51
Share of profit in Asso	0.00	0.00	0.00
PBIT	-1082.42	1139.86	782.51
Exceptional	144.45	-755.89	0.00
PBT	-1226.87	1895.75	782.51
Tax	0.46	213.90	261.08
PAT	-1227.33	1681.85	521.43
NPM	-27.64	28.48	8.99
ROE%	217.46	394.41	92.70
EPS	-18.97	26.00	8.02
Eq Cap	646.82	646.82	651.54
Net Worth	-1,180.66	327.82	802.04

(Source: RHP)



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