

## IPO NOTE

### Issue Details

<b>Price Band: ₹ 610 to ₹ 643</b>
<b>Employee Discount: ₹ 30/Share</b>
<b>Issue Opens on: December 20, 2024</b>
<b>Issue Closes on: December 24, 2024</b>
<b>Lot Size: 23 Shares &amp; in Multiples thereafter</b>

### Issue Highlights

<b>Issue Size:</b>	<b>₹ 1,600 Cr.</b>
<b>No of Shares:</b>	<b>2,48,83,358</b>
<b>Face Value:</b>	<b>₹ 1</b>

### Offer Structure

Issuance	₹ in Cr.
Fresh Issue	1,600.00
Offer for Sale	-
<b>Total</b>	<b>1,600.00</b>

### Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	75	1,199.25
HNI	15	239.85
Retail	10	159.90
Employee	-	1.00
<b>Total</b>	<b>100</b>	<b>1,600.00</b>

### Listing

**BSE & NSE**

### Lead Managers

- Axis Capital Limited.
- JM Financial Limited
- HSBC Securities and Capital Markets (India) Pvt. Ltd.
- ICICI Securities Ltd.
- IIFL Capital Services Limited
- Kotak Mahindra Capital Co. Ltd.
- SBI Capital Markets Limited

### Registrar

KFin Technologies Limited

### Contact Details

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## COMPANY OVERVIEW

Ventive Hospitality Ltd. was founded as the hospitality division of Panchshil Realty, a real estate conglomerate based in Pune which has a presence across the commercial, retail, luxury residential and data center segments. The company is predominantly a hospitality asset owner primarily focused on luxury offerings across business and leisure segments in India and the Maldives.

The company's Portfolio comprises 11 operational hospitality assets in India and Maldives, totalling 2,036 keys across the luxury, upper upscale and upscale segments as at September 30, 2024. The Ritz-Carlton, Pune is one of only two "The Ritz-Carlton" hotels in India which is a luxury brand within the Marriott portfolio.

The company's Average Room Rate stood at ₹ 16,645/- with overall occupancy of 60.68% for the Hospitality assets as on September 30th, 2024. The company's annuity assets, which are part of the company's hospitality-led integrated developments in Pune, have a total Leasable Area of 3.40 msf and Committed Occupancy of 95.55% as at September 30, 2024.

## HIGHLIGHTS

1. Premium hospitality assets complemented by Grade A annuity assets
2. Established track record of development and acquisition-led growth in India and the Maldives
3. Renowned Promoters with global and local expertise
4. Proven track record of active asset management
5. Well-positioned to benefit from strong industry tailwinds

## OBJECTS OF THE ISSUE

1. Repayment/ prepayment in par/full of certain borrowings avail by the company and step- down Subsidiaries namely SS & L Beach Pvt. Ltd and Maldives Property Holdings Pvt. Ltd (₹ 1,400 Cr.)
2. General corporate purposes

## OUR VIEW

Incorporated in 2002, Ventive Hospitality Limited is a key player in the hospitality sector with a focus on luxury offerings across business and leisure segments. The company's hospitality assets are operated by or franchised by global operators such as Marriott, Hilton, Minor and Atmosphere. The company's hospitality assets are enhanced by their leading, award-winning F&B offerings.

The company's Portfolio has grown significantly over the years, starting from 83 keys in 2007 to 2,036 keys as at September 30, 2024. In 2017. It has premium hospitality assets complemented by Grade A annuity assets. The company is dedicated to maintaining strong ESG standards. In the F&B (Food and Beverages) offerings by Pune restaurants, eight restaurants feature among the top 10 fine dining restaurants in the TripAdvisor rankings on November 8, 2024.

However, risks to consider are potential unanticipated liabilities, higher finance costs, and seasonal revenue fluctuations from the New Portfolio acquisition. Additionally, service quality issues or negative publicity related to third-party brands could harm operations and financial stability.

On the financial front, the Revenue and PAT CAGR for the period FY22-24 grew at around 44% and 137% respectively. But the PAT numbers and margins turned negative for H1FY25. The company operated on an EBITDA margin of 60.75% and PAT margin of 33.62% for FY24. Its Debt to Equity at 1.23x on standalone basis and Net borrowings stood at ₹ 3,422.97 Cr. as at H1FY25.

The issue is priced at a P/BV of 2.29 based on its NAV of Rs. 289.56 as of September 30, 2024 and is asking for a PE multiple of 40x on the upper end of the price band and using diluted EPS for FY24 (₹ 15.92). Average industry P/E is around 78x.

Ventive Hospitality Limited is a key player in the hospitality sector with a focus on luxury offerings across business and leisure segments. The company's presence in key business hubs and international destinations sites it to benefit from growing tourism trends. However high debt and recent loss in HYFY25 is a key concern. Looking at all the factors, risks, opportunities and valuation, high risk investors can invest in the issue with Long Term horizon.

### Brief Financials

PARTICULARS	As at Sept. 30, 2024	₹ in Million		
		FY '24	FY '23	FY '22
Total Income	3,889.28	4,947.08	4,417.54	2,375.05
Total Expenditure	3,524.49	2,895.20	2,825.65	2,014.79
EBITDA	1,803.97	3,005.59	2,500.92	1,245.97
Profit before Tax	271.69	2,051.88	1,591.89	360.26
Profit after Tax	(207.62)	1,663.17	1,312.73	294.31
E.P.S. (Diluted)	(2.28)*	15.92	12.36	2.75
P/E (x) (Diluted)	-	40	-	-
RONW (%)	(0.55)*	50.31	80.11	13.92

\* Not Annualised

### PRICE CHART (@ ₹ 643) (Retail Category)

LOT SIZE	Amount
23	14,789
46	29,578
69	44,367
92	59,156
115	73,945
138	88,734
161	103,523
184	118,312
207	133,101
230	147,890
253	162,679
276	177,468
299	192,257

### HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount (Rs.)
Small HNI	322	207,046
Big HNI	1,564	1,005,652

### Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	26/12/2024
Initiation of refunds/unblocking ASBA Fund	27/12/2024
Credit of Equity Shares to demat accounts of Allottees	27/12/2024
Commencement of trading of the Equity Shares on the Stock Exchanges	30/12/2024

For more details, Please refer RHP,

([https://www.sebi.gov.in/filings/public-issues/dec-2024/ventive-hospitality-limited-rhp\\_89974.html](https://www.sebi.gov.in/filings/public-issues/dec-2024/ventive-hospitality-limited-rhp_89974.html) )

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