

IPO NOTE

Issue Details

Price Band: ₹ 85 to ₹ 90
Employee Discount: ₹ 3/Share
Issue Opens on: July 24, 2025
Issue Closes on: July 28, 2025
Lot Size: 166 Shares & in Multiples thereafter

Issue Highlights

Issue Size:	₹ 759.60 Cr.
No of Shares:	8,44,00,000
Face Value:	₹ 10

Offer Structure

Issuance	₹ in Cr.
Fresh Issue	759.60
Offer for Sale	-
Total	759.60

Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	75	541.22
HNI	15	108.24
RETAIL	10	72.16
Employee	-	7.60
Shareholder	-	30.38
TOTAL	100	759.60

Listing

BSE & NSE

Lead Managers

JM Financial Limited
ICICI Securities Limited

Registrar

KFin Technologies Limited

Contact Details

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COMPANY OVERVIEW

Brigade Hotel Ventures are an owner and developer of hotels in key cities in India primarily across South India. They are the 2nd largest owner of chain-affiliated hotels and hotel rooms in South India among major private hotel asset owners as of March 31, 2025. They have a portfolio of 9 operating hotels across Bengaluru (Karnataka), Chennai (Tamil Nadu), Kochi (Kerala), Mysuru (Karnataka) and the GIFT City (Gujarat) with 1,604 keys.

The hotels are operated by global marquee hospitality companies such as Marriott, Accor and InterContinental Hotels Group and are in the upper upscale, upscale, upper-midscale, and midscale segments. They are a subsidiary of Brigade Enterprises Ltd. (BEL) which is a real estate developer in India.

The company intends to develop a luxury beach resort at ECR in Chennai (Tamil Nadu) and two upper midscale hotels in Bengaluru (Karnataka) and also intend to develop a luxury hotel under the *InterContinental* brand in Hyderabad (Telangana). They follow a business model where they either own or lease hotel assets and engage global hospitality companies for operation of the hotels.

HIGHLIGHTS

1. Strategically located award winning hotels with diversified offerings in the key cities primarily in South India
2. Focus on asset management resulting in operating efficiencies
3. Focus on environmental, social and governance
4. Strong parentage of Brigade Group
5. Well positioned to leverage industry tailwinds

OBJECTS OF THE ISSUE

1. Repayment/ prepayment/ redemption, in full or in part, of certain outstanding borrowings, , availed by: (a) The Company (₹ 413.69 Cr.) ; (b) Material Subsidiary, namely, SRP Prosperita Hotel Ventures Limited (₹ 54.45Cr.)
2. Payment of consideration for buying of Undivided Share of Land from the Promoter, BEL (₹ 107.51Cr.)
3. Pursuing inorganic growth through unidentified acquisitions and other strategic initiatives and General corporate purposes

OUR VIEW

Brigade Hotels incorporated in 2016, is a subsidiary of Brigade Enterprises Ltd (BEL), one of the leading real estate players in India. It is an owner and developer of hotels in key cities in India primarily across South India. These hotels are operated under renowned international brands such as Marriott, Accor, and InterContinental Hotels Group, providing a strong value proposition and brand recall.

Its average occupancy in FY25 was 76.76% which was higher than the industry annual occupancy in FY25 of 64.5%. The number of keys has grown over the years, from 1,474 keys as of FY23 to 1,604 keys till now. It has strategic location in commercial zones and GIFT city expansion. The company has consistently maintained high guest satisfaction and operational excellences, outperforming many international luxury chains operating in India.

However, risks to consider are intense competition, Geographic Concentration Risk, concentrated income from the 4 hotels, negative cash flow, High Finance cost, high dependence on hotel chains, past losses due to tax adjustments, dependency on the third parties, travel agents & intermediaries negotiation terms may adversely affect the operations.

On the financial front, the Revenue CAGR for the period of FY23-25 stood at 16%. The company operated on an EBITDA margin of 35.45% and PAT margin remained thin at 5% for FY25. ROCE stood at 16.27%. The company just turned positive in FY24 but again in FY25 it dropped down to ₹ 23.66 Cr.

The issue is priced at a P/BV of 32.26 based on its NAV of Rs. 2.79 as at FY25 and P/E stands at 128x. As per RHP, industry average P/E is around 91.43x. The issue seems aggressively priced.

Brigade Hotels has bright expansion plan and opportunity of growing tourism industry. But, at the same time the valuation seems expensive and the numbers turned positive from last financial year. Looking at all the factors, risks, opportunities and valuation, high risk investors may invest with long term horizon.

Brief Financials

PARTICULARS			₹ in Million
	FY '25	FY '24	FY '23
Total Income	4,706.80	4,048.50	3,564.10
Total Expenditure	4,261.70	3,727.70	3,719.50
EBITDA	1668.70	1,446.10	1,139.80
Profit/(Loss) before Tax	445.10	320.80	(45.40)
Profit/(Loss) after Tax	236.60	311.40	(30.90)
E.P.S. (Diluted)	0.72	0.88	(0.14)
P/E (x) (Diluted)	125	-	-
RONW (%)	30.11	53.01	(9.14)

PRICE CHART (@ ₹ 90) (Retail Category)

LOT SIZE	Amount
166	14,940
332	29,880
498	44,820
664	59,760
830	74,700
996	89,640
1,162	104,580
1,328	119,520
1,494	134,460
1,660	149,400
1,826	164,340
1,992	179,280
2,158	194,220

HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount (Rs.)
Small HNI	2,324	209,160
Big HNI	11,122	1,000,980

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	29/7/2025
Initiation of refunds/unblocking ASBA Fund	29/7/2025
Credit of Equity Shares to demat accounts of Allottees	30/7/2025
Commencement of trading of the Equity Shares on the Stock Exchanges	31/7/2025

For more details, Please refer RHP,

(https://nsearchives.nseindia.com/content/ipo/RHP_BRIGHOTEL.zip)

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