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# IPO Note



**Brigade Hotel Ventures Limited**

Date: 22<sup>nd</sup> July 2025

## Brigade Hotel Ventures Limited

### About the Company

Brigade Hotel Ventures Limited is an owner and developer of hotels in key Indian cities, with a primary focus on South India. The company is the second-largest owner of chain-affiliated hotels and hotel rooms in South India—including the states of Karnataka, Tamil Nadu, Kerala, Andhra Pradesh, Telangana, and the Union Territories of Lakshadweep, Andaman and Nicobar Islands, and Puducherry—among major private hotel asset owners (defined as investors owning at least 500 rooms across India).

The company's promoter, Brigade Enterprises Limited (BEL), ventured into the hospitality business in 2004 with the development of its first hotel, Grand Mercure Bangalore, which began operations in 2009. As of the date of the Red Herring Prospectus, Brigade Hotel Ventures Limited operates a portfolio of nine hotels with a total of 1,604 keys, located in Bengaluru and Mysuru (Karnataka), Chennai (Tamil Nadu), Kochi (Kerala), and GIFT City (Gujarat). These hotels are managed by leading global hospitality brands such as Marriott, Accor, and InterContinental Hotels Group, and span across the upper upscale, upscale, upper-midscale, and midscale segments.

Brigade Hotel Ventures Limited is a subsidiary of Brigade Enterprises Limited (BEL), a prominent real estate developer in India. This association provides Brigade Hotel Ventures with a significant competitive advantage, enabling it to leverage BEL's strong brand reputation, established relationships with corporate clients, and extensive expertise in real estate development. The company benefits from BEL's deep understanding of market trends and its ability to identify strategic locations with high growth potential, which supports the development of hotels in key areas. Additionally, Brigade Hotel Ventures capitalizes on BEL's involvement in mixed-use developments by integrating hotels into broader real estate projects, thereby offering customers a seamless and comprehensive hospitality experience.

### Outlook

Brigade Hotel Ventures Limited is the owner and developer of hotels in key cities in India, primarily across South India. The company is a wholly-owned subsidiary of BEL, which is one of the leading Indian real estate developers in India.

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit of Rs. 3564.1 mn / Rs. (30.90) mn. (FY23), Rs. 4048.5 mn/ Rs. 311.30 mn (FY24), and Rs. 4706.8 mn/ Rs. 236.6 mn (FY25). The company has average RoNW of 30.11%. EV/ EBITDA of the company is 4.17X and 4.56X for FY25 and FY24 respectively.

### Issue Details:

Price Band (Rs)	Rs 85– Rs 90
Issue Size (Fresh Issue)	759.60 Cr (upper band)
Lot Size	166 shares
Issue Opens	July 24, 2025
Issue Closes	July 28, 2025
Lead Manager	JM Financial Limited and ICICI Securities Limited
Registrar	KFin Technologies Limited
Tentative Listing Date	July 31, 2025
Listing on	BSE, NSE

### Indicative Timetable

Finalization of Basis of allotment	July 29, 2025
Refund/ Unblocking of ASBA	July 29, 2025
Credit of Equity Shares to DP A/C	July 30, 2025

### Issue Breakup

QIB	Not more than 75.00% of the Net offer
RETAIL	Not less than 10.00% of the Offer
NII	Not less than 15.00% of the Offer
TOTAL	100%

### Promotor Shareholding

Pre Issue Share Holding	95.26%
Post Issue Share Holding	74.09%

## Brigade Hotel Ventures Limited

### Objective of The Issue

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

- Repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by the company and Material Subsidiary, namely, SRP Prosperita Hotel Ventures Limited – Rs 4681.4 million.
- Payment of consideration for buying of undivided share of land from the Promoter, BEL – Rs 1075.2 million
- Pursuing inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes – Rs 1839.41 million

### Business Overview

Brigade Hotel Ventures Limited is an owner and developer of hotels in key Indian cities, with a primary focus on South India. The company is the second-largest owner of chain-affiliated hotels and hotel rooms in South India—including the states of Karnataka, Tamil Nadu, Kerala, Andhra Pradesh, Telangana, and the Union Territories of Lakshadweep, Andaman and Nicobar Islands, and Puducherry—among major private hotel asset owners (defined as investors owning at least 500 rooms across India).

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The Company strategically locates its hotels in areas with strong and sustained demand, influenced by factors such as population density, premium residential neighborhoods, commercial centers, and IT hubs. The company prioritizes selecting specific sites within cities that offer convenient access to airports, business districts, commercial hubs, and high-footfall retail zones.

### Financials

Income Statement			(Rs in million)
Particulars	FY25	FY24	FY23
Revenue from Operation	4682.5	4017	3502.2
Other income	24.3	31.5	61.9
Total Income	4706.8	4048.5	3564.1
Cost of Material consumed	447.60	403.40	350.80
Employee Benefit Exp	863.10	762.70	633.10
Depreciation	498.00	436.40	493.50
Finance cost	725.60	688.9	691.70
Other expenses	1,727.40	1,436.40	1,440.40
Total expenses	4,261.70	3,727.80	3,609.50
Profit before tax	445.10	320.70	-45.40
Total Tax expenses	208.5	9.4	-14.5
Profit after tax	236.6	311.30	-30.90
Basic EPS	0.72	0.88	-0.14

  

Cash Flow Statement			(Rs in million)
Particulars	FY25	FY24	FY23
Net Profit before tax	445.1	320.7	-45.4
Cash generated from Operating Activity	1,539.60	1,559.10	1093.1
NET CASH FLOW FROM OPERATING ACTIVITY	1489.5	1,548.60	1078.7
NET CASH FLOW FROM INVESTING ACTIVITY	-949.90	-453.00	9.80
NET CASH FLOW FROM FINANCING ACTIVITY	-817.90	-921.30	-1,322.40
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT	-278.3	174.3	-233.9
Cash and Cash Equivalent at the beginning of the year	39.5	-134.8	99.1
Cash and Cash Equivalent at the end of the year	-238.8	39.5	-134.8

## Brigade Hotel Ventures Limited

Balance Sheet			(Rs in million)
Particulars	FY25	FY24	FY23
<b>ASSETS</b>			
Non Current Assets			
Property, Plant and Equipment	7,296.90	6508.2	6267.4
Capital WIP	202.7	716.8	293.9
Intangible Assets	18.1	8.8	13.2
Investments	0.6	0.6	0.6
Other non-current financial assets	120.5	105.2	83.1
Deffered Tax Assets	574.30	781.60	791.2
Other Non current Assets	277.8	15.40	13.7
Current tax assets (net)	105.6	55.50	45
Total Non Current Assets	8596.5	8192.1	7508.1
Current Assets			
Inventories	67.10	59.10	43.60
Trade Receivable	230.10	217.60	206.90
Cash and cash equivalent	107.70	79.8	77.6
Bank Balance	115.9	122.80	232.5
Other Current financial Assets	97.5	28.7	21.1
Other current assets	260.9	167.7	316.9
Total Current Assets	879.2	675.7	898.6
Total Assets	9476	8869	8408
<b>EQUITIES AND LIABILITIES</b>			
Equity Share Capital	2,814.30	10.00	10
Other Equity	-1,791.00	780.10	468.00
Total Equity	1,023.30	790.10	478.00
Non Current Liabilities			
Long term Borrowings	4,933.90	5,491.30	5010.5
Lease Liability	1,393.70	1,183.40	675.2
Other Non Current Financial liabilities	3.40	20.90	20.6
Other Non Current liabilities	86.20	87.80	89.40
Non-current provisions	15.5	10.9	8.8
Total Non Current Liabilities	6,432.70	6,794.30	5804.5
Borrowings	1,239.30	520.60	1,314.50
Lease Liability	8.30	0.00	0.00
Trade Payable	381.20	273.30	314.50
Other Current Financial liability	233.20	310.4	329.2
Other Current Liabilities	138.50	164.8	155.7
Current Provisions	19.20	14.3	10.30
Total Current liabilities	2020	1283	2124
Total Equities and Liabilities	9476	8869	8408

## Brigade Hotel Ventures Limited

### Directors Profile

Nirupa Shankar serves as the Managing Director of the Company. She holds a bachelor's degree in Arts from the University of Virginia and a master's degree in Management in Hospitality from the Cornell University – Cornell-Nanyang Institute of Hospitality Management.

Amar Shivram Mysore is a Non-Executive and Non-Independent Director of the Company. He holds a bachelor's degree in Industrial Engineering and Management from Bangalore University and a master's degree in Science with advanced study in Industrial Engineering from Pennsylvania State University, USA.

Vineet Verma is a Non-Executive and Non-Independent Director of the Company. He holds a bachelor's degree in Science from the University of Calcutta and joined the Brigade Group in 2006 as Chief Executive Officer of Brigade Hospitality Services Limited. He currently serves as the Managing Director of WTC Trades & Projects Private Limited, a facility management company.

Bijou Kurien is an Independent Director of the Company. He holds a bachelor's degree in Science from St. Joseph's College, Bangalore, and a postgraduate diploma in Business Management from XLRI, Jamshedpur. He has more than 40 years of experience in the management and retail/lifestyle sectors.

Anup Sanmukh Shah is an Independent Director of the Company. He holds bachelor's degrees in Commerce and Law from the University of Bombay and has been enrolled as an advocate with the Karnataka State Bar Council since 1981.

Jyoti Narang is an Independent Director of the Company. She holds a bachelor's degree in Economics (Honours) from Lady Shri Ram College, University of Delhi, and an MBA from the University of Delhi. She has also completed the Advanced Management Programme from Harvard Business School.

Nakul Anand is an Independent Director of the Company. He holds a bachelor's degree in Arts (Honours) from the University of Delhi and a graduate management qualification from Bond University, Australia. With over 40 years of experience in hotel management, he has held various senior roles at ITC Limited.

### Market Opportunity

The demand for chain-affiliated hotels has grown significantly, increasing from 61,000 room nights per day in Fiscal 2015 to 116,000 in Fiscal 2024, and further to 127,000 by the end of Fiscal 2025. This reflects a 9.9% CAGR between Fiscal 2001 and Fiscal 2025, and a 7.6% CAGR over the last decade (Fiscal 2015 to Fiscal 2025). In the most recent period, demand has grown at a 5.6% CAGR between Fiscal 2023 and Fiscal 2025.

Domestic travel witnessed a strong rebound post-COVID. While travel visits stood at 2.3 billion in calendar year 2019, they recovered to 1.73 billion in 2022 and surged to 2.51 billion in 2023. Data for 2024 is yet to be released, though another increase is anticipated.

Foreign Tourist Arrivals (FTA) had crossed 10 million annually during 2017–2019. Post-pandemic recovery brought FTA to 9.2 million in 2023, followed by a modest rise to 9.7 million in 2024 – a 1.4% year-on-year increase. However, arrivals were negatively impacted in the second half of 2024 due to a decline in visitors from Bangladesh. Looking ahead, substantial FTA growth is projected by HAI, supported by rising cross-border business, investment activity, new trade agreements, and targeted efforts to boost inbound leisure tourism.

### Key Risk of the businesses

- ❑ The Company has entered into hotel operator service agreements and related arrangements with leading international hotel chains such as Marriott, Accor, and InterContinental Hotels Group for operational and marketing support. In Fiscal 2025, two Marriott-operated hotels accounted for 43.81% of the Company's operational revenue. Any termination or non-renewal of these agreements could materially impact the Company's business, financial performance, and cash flows.
- ❑ The Company also plans to develop five additional hotels. Delays or inability to execute these developments in a timely manner may adversely affect its business, financial condition, and operating results.
- ❑ Given the recurring nature of operating expenses, any failure to effectively manage costs could further impact the Company's financial health and overall performance.

## Brigade Hotel Ventures Limited

### Competitive Strength

- ❑ Strategically located award winning hotels with diversified offerings in the key cities primarily in South India.
- ❑ Focus on asset management resulting in operating efficiencies
- ❑ Focus on environmental, social and governance.
- ❑ Strong parentage of Brigade Group
- ❑ Well positioned to leverage industry tailwinds.
- ❑ Experienced management team with domain expertise

### Threats

- ❑ Availability of land at suitable locations for hotels, high cost of available land, and limited development entitlements - create limitations on hotel development, viability, and hotel size.
- ❑ Hotel projects require multiple regulatory approvals and licenses, before project implementation and prior to opening. The process is time consuming, with timing uncertainties and delays - the resultant longer time to hotel opening causes project cost escalations, significant additional interest cost, debt-service pressures, and project quality impact.
- ❑ Policy changes by government can have a material impact on hotel development, operations and profitability. For example, (a) imposition of liquor prohibition; (b) substantial delay in completion of Delhi Aerocity hotels as security issues were not resolved in a time- bound manner; (c) recent requirement for drivers accommodation in Tamil Nadu.
- ❑ Increasing manpower shortages - staff and managers with sufficient operating experience and skills - and high attrition across managerial and staff levels poses service limitations for hotels.

### Pre Issue Dilution

The Company has allotted 4.74% of its pre-IPO equity share capital to a group of Alternative Investment Funds (AIFs) managed by 360 ONE, at an issue price of ₹90 per share. Since the IPO proceeds were raised entirely through a fresh issue of shares, both the Promoter & Promoter Group and the AIFs continue to retain their respective shares in the Company.

Name of Shareholder	Pre Offer Shareholding (%)
Promoter and Promoter Group	95.26%
Non Promoter	
Alternative Investment Funds (AIFs) managed by 360 ONE	4.74%
Total	100%



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Name : Bajaj Broking Research Team | Email Id : [researchdesk@bajajbroking.in](mailto:researchdesk@bajajbroking.in)

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## Research Analyst

Anand Shendge  
(DVP Derivative Analyst)

Pabitra Mukherjee  
(AVP Technical Analyst)

Nisarg Shah  
(Fundamental Analyst)

Vikas Vyas  
(Derivative Analyst)

Harsh Parekh  
(Technical Analyst)

Raunaq Murarka  
(Derivative Analyst)

Shashwat Singh  
(Fundamental Analyst)