



Issue Opens – December 20, 2024 to December 24, 2024

Price Band
₹610 to ₹643

Face Value
₹1 per share

Issue Size
₹1,600.00 Cr

Lot Size
23 Shares

Issue Type
Book Built

Issue Size

2,48,83,358 shares / ₹1,600.00 Cr

Fresh Issue

2,48,83,358 shares / ₹1,600.00 Cr

Offer for Sale

N.A

Basis of Allotment

Thursday, December 26, 2024

Initiation of Refunds

Friday, December 27, 2024

Credit of Shares to Demat

Friday, December 27, 2024

Ventive Hospitality Listing Day

Monday, December 30, 2024

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Objects of The Offer



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

1. Repayment/prepayment, in part or full, of certain of borrowings availed by the company;
2. For payment of interest accrued thereon; and
3. Step-down Subsidiaries, namely SS & L Beach Private Limited and Maldives Property Holdings Private Limited, including the payment of interest thereon through investment in such step-down Subsidiaries;
4. General corporate purposes.

Brief profile of the Directors

Atul I. Chordia is the Chairman and Executive Director on the Board of our Company. He has completed his first year of the bachelor's degree in commerce from the Ness Wadia College of Commerce, Pune. He has over 31 years of experience in the real estate sector. He has been associated as a director of Preamsagar Infra Private Limited (previously known as Preamsagar Hotels Private Limited) since 1992. He has been associated as a director of the Company since 2002. He oversees the overall operation and management of the Company. He has received the Hoteliers Award 2019 - Developer of the Year, the Asia One- World's Greatest Leaders Award 2017 -2018, Eminent Wadian Award for the year 2024 by Modern Education Society and the Times of India - Real-Estate Icons of Pune Award, 2022.

Tuhin Parikh is a Non-Executive Nominee Director on the Board of our Company. He holds a bachelor's degree in commerce from the University of Bombay and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has about 22 years of experience in the construction and real estate sector. He was on the board of directors of TCG Urban Infrastructure Holdings Limited from 2002 to 2007. He has been employed by Blackstone Advisors India Private Limited since January 15, 2007 and is currently the senior managing director and head of real estate group in India.

Thilan Manjith Wijesinghe is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in business administration from State University of New York, U.S.A and two bachelor's degrees in engineering and economics from Cornell University, U.S.A. He has over 19 years of experience in administration and management. Previously, he has been associated with Overseas Realty (Ceylon) PLC as group managing director. He is also a chairman of National Agency for Public Private Partnership of the ministry of finance, Sri Lanka. He is also on the board of directors of MJF Leisure since 2003. He founded TWC Corp Private Limited in 2012 and is currently a director on its board.



About The Company

Ventive Hospitality, founded in 2002, operates luxury hotels and resorts in India and the Maldives. With 11 properties and over 2,000 keys, the company collaborates with renowned brands like Marriott, Hilton, and Minor. Its portfolio includes iconic locations in major cities, tourist destinations, and cultural centers.

Key Business Operations

Ventive Hospitality's key business operations revolve around:

- **Owning and developing:** They focus on acquiring and developing high-end luxury hotels and resorts.
- **Asset management:** They actively manage their properties, overseeing key areas like procurement, marketing, and capital expenditure.
- **Strategic partnerships:** They collaborate with renowned international hospitality brands like Marriott, Hilton, Minor, and Atmosphere to operate their properties.
- **Focus on luxury:** Their primary focus is on the luxury and upscale segments of the hospitality market.
- **Prime locations:** They strategically locate their properties in key business hubs, popular tourist destinations, and significant cultural centres.



Summary Of Hospitality Assets

Hospitality Assets (Completed)	Location	Segment	Number of Keys	Year of Acquisition by our Company	Number of Years Operational
JW Marriott, Pune	Shivajinagar, Pune, Maharashtra	Luxury	415	NA ⁽¹⁾	14
The Ritz-Carlton, Pune	Yerwada, Pune, Maharashtra	Luxury	198	2024	5
Anantara, Maldives	Dhigu, Veli and Naladhu, Maldives	Luxury	197	2024	17
Conrad, Maldives	Rangali, Maldives	Luxury	151	2024	27
Raaya by Atmosphere, Maldives	Raaya, Maldives	Luxury	167	2024	Less than 1 year
Marriott Suites, Pune	Koregaon Park, Pune, Maharashtra	Upper Upscale	200	2024	8
DoubleTree by Hilton, Pune	Chinchwad, Pune, Maharashtra	Upscale	115	2024	11
Oakwood Residences, Pune	Naylor Road, Pune, Maharashtra	Upscale	83	2024	17
Courtyard by Marriott, Pune	Hinjewadi IT Park, Pune, Maharashtra	Upscale	153	2024	15
Marriott Aloft Whitefield, Bengaluru (to be rebranded to AC by Marriott)	Whitefield, Bengaluru, Karnataka	Upscale	166	2024	14
Marriott Aloft ORR, Bengaluru	Outer Ring Road, Bengaluru, Karnataka	Upscale	191	2024	10
Total			2,636		

⁽¹⁾Developed by our Company.

Hospitality Assets (Under Development)	Location	Segment	Estimated Number of Keys	Year of Acquisition by our Company	Date of board resolution approving project*
Vacanza hotel, under a non-binding MOU with Marriott (for a potential Marriott brand)	Vacanza, Uttar Pradesh	Upper Upscale	167	2024	July 30, 2024
Expansion of Marriott Aloft Whitefield, Bengaluru (to be rebranded to a potential AC by Marriott brand under a non-binding MOU with Marriott)	Whitefield, Bengaluru, Karnataka	Upscale	120	2024	July 30, 2024
Sri Lanka hotel, under a non-binding MOU with Marriott (for a potential Ritz-Carlton Reserve brand)	Pottuvil, Sri Lanka	Luxury	80	2024	July 29, 2024
Total			367		

Statement of Profit and Loss



(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	Six months ended September 30, 2024 (Consolidated)	Year ended March 31, 2024 (Standalone)	Year ended March 31, 2023 (Standalone)
Income :			
Revenue from operations	3727.78	4779.8	4308.13
Other income	161.5	167.28	109.41
Total income	3889.28	4947.08	4417.54
Expenses :			
Cost of materials consumed	265.07	322.5	330.18
Cost of construction material sold	0.13	0.13	
Employee benefits expense	541.87	374.46	297.93
Other expenses	1278.24	1242.76	1287.09
Depreciation and amortisation expense	608.05	481.49	493.16
Total expenses	3524.49	2895.2	2825.65
Restated profit before tax and share of profit/(loss) of JV	364.79	2051.88	1591.89
Share of loss of joint venture (III)	-93.1		
Restated profit before tax (IV - I - II + III)	271.69	2051.88	1591.89
Tax expenses:	479.31	388.71	279.15
Restated profit/(loss) for the period/year	-207.62	1663.17	1312.73
Earning Per Share of Rs. 1 each			
Basic and diluted EPS (in INR)	-2.28	15.92	12.36

Strengths



- **Premium Hospitality Assets:** VHL's portfolio includes luxury properties managed by esteemed global brands such as JW Marriott, The Ritz-Carlton, Conrad, and Anantara, enhancing its market position and appeal to high-end clientele.
- **Strategic Locations:** The company's properties are situated in prime areas within Pune, Bengaluru, and the Maldives, attracting both business and leisure travelers.
- **Diverse Revenue Streams:** Beyond hospitality, VHL generates income from leasing commercial spaces and operating malls, contributing to a stable financial foundation.
- **Strong Financial Performance:** Between FY22 and FY24, VHL achieved a revenue growth rate of 44.4% per annum and a profit after tax growth of 137.7% per annum, indicating robust financial health.

Threats

- **High Debt Levels:** Recent acquisitions funded through debt have increased VHL's financial leverage, potentially impacting profitability due to higher interest obligations.
- **Dependence on Third-Party Operators:** A significant portion of VHL's hospitality assets are managed by third-party brands. Any decline in service quality or changes in these partnerships could adversely affect the company's reputation and financial performance.
- **Competitive Market:** The hospitality industry is highly competitive, with established players expanding their presence. This increased competition may pressure VHL's market share and profitability.
- **Occupancy Rates:** VHL's average occupancy rate of 60% is below the industry average of over 70%, which could impact revenue generation.

Valuation and Outlook



Ventive Hospitality Ltd IPO is expected to be priced between ₹610 to ₹643 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of 181x whereas the industry average is 78x.

Particulars	Face Value (₹)	Revenue from Operations (₹)	EPS (Basic) (₹)	EPS (Diluted) (₹)	P/E
Our Company*	1	4,779.80	15.92	15.92	[•]
Our Company** (Proforma)	1	18,420.66	-5.24	-5.24	[•]
Listed Peers					
Chalet Hotels Limited	10	14,172.52	13.54	13.53	66.04
Samhi Hotels Limited	1	9,573.93	-14.67	-14.67	-
Juniper Hotels Limited	10	8,176.63	1.46	1.46	244.9
The Indian Hotels Company Limited	1	67,687.50	8.86	8.86	87.89
EIH Limited	2	25,112.70	10.22	10.22	36.68
Lemon Tree Hotels Limited	10	10,711.23	1.88	1.88	69.1
Apeejay Surrendra Park Hotels Limited	1	5,789.70	3.82	3.82	42.96

Ventive Hospitality Ltd has shown consistent financial growth, with revenue increasing at a CAGR of 18% over the last three years, supported by a rise in occupancy rates and average room revenue. Net profit has also grown steadily, reflecting improved operational efficiency and cost management.

Company intends to increase its number of keys from 2,036 as of March 2024 to approximately 2,403 by FY28. Key growth drivers include strategic expansion into high-demand regions and leveraging partnerships with global hospitality brands.

Hence, We rate "**Subscribe**" for Listing Gains .

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