Innovision Ltd.

AVOID

BP WEALTH

IPO Note **9th March 2026**

Company Overview

Innovision Limited is an integrated business services provider operating across India in three main areas: manpower services, toll plaza management, and skill development training. The company was founded in 2007 and initially focused on manned private security services before gradually expanding into other service segments. In the manpower services vertical, Innovision provides manned security, integrated facility management (IFM), and manpower sourcing and payroll services to corporate clients. Its IFM offering includes soft services such as housekeeping, cleaning, and pest control, as well as hard services like mechanical and electrical maintenance. As of early 2026, the company serves more than 180 clients across over 1,000 premises and employs around 6,900 security guards, with Private Security Agencies Regulation Act (PSARA) licenses across multiple states and union territories. The company has also established its own PSARA training center in Haryana to train security personnel. The company also operates in toll plaza management, where it provides services related to user fee collection and toll operations on national highways. As of January 2026, Innovision manages nine toll plazas and has executed around 60 toll-related projects, using electronic toll collection systems based on RFID technology to improve operational efficiency. In addition, Innovision is involved in skill development and vocational training through partnerships with government initiatives such as the National Skill Development Corporation, offering training programs across sectors including healthcare, IT, and electronics through a network of approximately 50 training centers. The company also operates specialized subsidiaries that focus on emerging opportunities, including drone pilot training through Aerodrone Robotics and overseas recruitment and visa facilitation through Innovision International Private Limited. As of January 2026, Innovision operates across 23 states and 5 union territories and employs more than 14,000 personnel.

Objects of the issue

The company proposes to utilize net proceeds from the issue towards the following objects:

⇒ Repayment or pre-payment, in part or full of all or certain borrowings availed by the company;

⇒ Funding working capital requirements of the company; and

⇒ General corporate purposes.

Investment Rationale

Beneficiary of sustained expansion in national highway infrastructure and toll collections

Innovision operates in toll plaza management, a segment directly linked to the expansion of India's national highway network and the growth in toll collections. This vertical has become the largest contributor to the company's revenue. In FY25, the segment with a bidding success rate of 50%, accounted for 56% of total revenue. Highlighting the scale achieved, opportunity here is substantial as government spending on road infrastructure has increased significantly over the past few years, with the budget for the Ministry of Road Transport and Highways rising from Rs. 1.28 trillion in FY19 to about Rs. 2.87 trillion in FY26 and Rs. 3.10 trillion in the FY27 budget estimate. The expansion of highway infrastructure has increased the scale of tollable road assets across the country, with the national highway network now exceeding 1,46,500 kilometres by 2025. The pace of highway construction remains elevated at around 29 kilometres per day in FY25, significantly higher than the 11.6 km per day recorded in 2014. As highway networks expand and traffic volumes increase, toll collections continue to grow. Total toll collections on national highways reached approximately Rs. 614 billion in FY25, representing about 10% YoY growth from Rs. 559 billion in FY24 and more than doubling from Rs. 251 billion in FY19. In parallel, the government has accelerated asset monetization through models such as Toll-Operate-Transfer and infrastructure investment trusts, monetizing over Rs. 1.52 lakh crores of road assets as of late 2025. The combination of higher highway construction, rising toll collections, and increased monetization of road assets continues to expand the addressable market for toll management service providers.

Issue Details	
Offer Period	10th Mar. 2026 - 12th Mar. 2026
Price Band	Rs. 512 to Rs. 548
Bid Lot	27
Listing	BSE & NSE
Issue Size (no. of shares in Crs)	0.59
Issue Size (Rs. in Crs)	323
Face Value (Rs.)	10

Issue Structure	
QIB	1%
NII	34%
Retail	65%

BRLM	Emkay Global Financial Services Ltd.
Registrar	KFIN Technologies Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	99.99%	75.00%
Public	0.01%	25.00%
Total	**100.00%**	**100.00%**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

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Structural growth in organised facility management, security services and emerging drone ecosystem

Innovision also operates in segments that are benefiting from long-term structural shifts toward organized service providers and technology-enabled security solutions. The Indian manned security market has grown from Rs. 547 billion in CY19 to approximately Rs. 988 billion in CY24, representing a CAGR of about 12.6%, and is projected to reach Rs. 1,716 billion by CY29. Similarly, the integrated facility management (IFM) market has expanded to around Rs. 1,134 billion in CY24 and is expected to reach Rs. 2,286 billion by CY29, a CAGR of 15% over the period. This growth is supported by rising commercial real estate development, increasing urbanization, and higher compliance requirements for security and facility services. India's urban population is projected to reach around 40% of the total population by CY29, which is expected to further increase demand for organized security and facility management services across commercial buildings, hospitals, logistics facilities, and residential complexes. In addition to traditional manpower-driven services, Innovision has exposure to the emerging drone ecosystem through its subsidiary Aerodrone Robotics. The domestic drone market is projected to grow significantly from about Rs. 29 billion in 2020 to approximately RS. 1,665 billion by CY28, supported by government initiatives aimed at building a domestic drone ecosystem and increasing adoption in defence.

Valuation

Innovision Limited has demonstrated strong revenue growth over the past three fiscals, with revenue from operations increasing from Rs. 256 crores in FY23 to Rs. 893 crores in FY25, reflecting a two-year CAGR of 87%. Profitability has also scaled alongside revenue, with EBITDA reaching Rs. 52 crores in FY25 while PAT increased to Rs. 29 crores, representing a PAT CAGR of 81% over the same period. EBITDA margin declined to 5.8% in FY25 from 6.4% in FY23, while PAT margin declined to 3.3% in FY25 from 3.5% in FY23. Return ratios remain strong with ROE at 35% and ROCE at 41% in FY25, indicating efficient capital deployment despite the working capital intensive nature of service contracts. The company reported an EPS of Rs. 15.62 in FY25 and a Net Asset Value per share of Rs. 54 as of September 30, 2025. Innovision operates across manpower services, toll plaza management, and skill development, with segmental EBITDA margins of 5.2%, 4.7%, and 36.6% respectively in FY25. The revenue mix has shifted significantly towards toll plaza management, which contributed 13% in FY23, now contributes 56% of revenue in FY25, improving scalability but increasing dependence on infrastructure-linked contracts. While the company has maintained a bidding success rate of around 50% in toll management tenders, a significant portion of revenue is subject to contract renewals, with contracts worth Rs. 624 crores expiring in FY26 and Rs. 283 cores in FY27. Additionally, the business remains exposed to client concentration risk, with the top ten customers contributing 80% of revenue in FY25 and NHAI being the largest client. The company also carries moderate leverage with a debt-to-equity of 1.1x and net debt/EBITDA of 3.5x as of September 30, 2025. Listed peers such as Krystal Integrated Services Ltd., Updater Services Ltd., SIS Ltd., Quess Corp Ltd., and Highway Infrastructure Ltd. are currently trading at P/E multiples of approximately 14.6x, 10.6x, 12.2x, 12.5x, and 10.5x respectively (as of March 06, 2026). **Innovision Ltd., at the upper price band of Rs. 548 and EPS of Rs. 10.82 per share implies a P/E of 51x. Given the significant premium to its listed peers and concerning operational and regulatory risks faced by the company, we recommend a "AVOID" rating to the issue from a medium-to-long-term perspective.**

Key Risks:

⇒ NHAI, the company's largest client, issued a one-year debarment order in July 2025 over alleged irregularities. Although the Delhi High Court has stayed the order, an adverse final ruling could prevent the company from bidding for new NHAI projects, which contributed 56% of revenue in FY25.

⇒ With a workforce of over 14,000 personnel, the company faces operational and regulatory risks related to labour compliance, workplace disputes, and service liabilities. As of the prospectus date, 78 labour-related cases are pending before various authorities.

⇒ The business operates with a working capital cycle of around 128 days, as employee payments are made before receiving client payments. This has resulted in negative operating cash flows in FY25 and the subsequent half-year, increasing reliance on external funding.

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Income Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Revenue				
Revenue from operations	256	510	893	480
Total revenue	**256**	**510**	**893**	**480**
Expenses				
Direct expenses	33	234	484	257
Other expense	5	8	9	7
Employee benefits expense	203	250	351	189
Purchase of stock-in-trade	0	0	0	0
Total operating expenses	**241**	**492**	**844**	**453**
EBITDA	**14**	**18**	**49**	**27**
Depreciation & amortization expenses	1	2	3	1
EBIT	**13**	**16**	**46**	**26**
Finance costs	5	7	10	6
Other Income	2	2	3	3
PBT	**10**	**11**	**39**	**24**
Tax expense	1	1	10	4
Current tax	2	2	9	4
Deferred tax	-1	-1	1	0
Net Profit	**9**	**10**	**29**	**20**
EPS	**5.0**	**6.3**	**15.6**	**10.8**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Cash Flow from operating activities	3	6	-22	-16
Cash flow from investing activities	1	34	2	12
Cash flow from financing activities	-4	9	23	28
Net increase/(decrease) in cash and cash equivalents	**0**	**-19**	**3**	**0**
Cash and cash equivalents at the beginning of the period	**23**	**23**	**4**	**7**
Cash and cash equivalents at the end of the period	**23**	**4**	**7**	**7**

Source: RHP, BP Equities Research

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Balance Sheet (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Non-current assets				
Property, plant and equipment	2	7	6	6
Right-of-use assets	1	1	0	0
Investment property	3	5	5	5
Intangible assets	0	0	0	0
Financial assets				
(a) Investments	0	0	0	0
(b) Other financial assets	2	4	1	1
Deferred tax assets (net)	2	2	2	2
Non-current tax assets (net)	8	15	21	14
Total non-current assets	**18**	**35**	**36**	**29**
Current assets				
Financial assets				
(a) Trade receivables & unbilled receivables	56	63	107	145
(b) Cash and cash equivalents	23	4	7	7
(c) Bank balances other than cash and cash equivalents	3	30	33	48
(d) Loans	0	0	0	0
(e) Other financial assets	7	22	29	32
Other current assets	1	3	8	11
Total current assets	**91**	**122**	**185**	**242**
Total assets	**108**	**157**	**220**	**272**
Equity				
(a) Equity share capital	1	19	19	19
(b) Other equity	39	33	63	83
(c) Non controlling interest	-	-	-	-
Total equity	**40**	**52**	**82**	**102**
Liabilities				
Non-current liabilities				
Financial liabilities				
(a) Borrowings	9	11	6	4
(b) Lease liabilities	1	0	0	0
(c) Other financial liabilities	0	0	0	0
Provisions	2	2	4	4
Total non-current liabilities	**12**	**13**	**11**	**9**
Current liabilities				
Financial liabilities				
(a) Borrowings	25	38	73	108
(b) Lease liabilities	0	0	0	0
(c) Trade payables				
(i) Total outstanding dues of MSE	1	1	1	1
(ii) Total outstanding dues of creditors other than MSE	0	1	1	0
Provisions	1	1	0	1
Other current liabilities	30	50	52	50
Total current liabilities	**56**	**91**	**128**	**161**
Total liabilities	**68**	**105**	**138**	**169**
Total equity and liabilities	**108**	**157**	**220**	**272**

Source: RHP, BP Equities Research

Research Desk **Tel: +91 22 61596138**

Institutional Sales Desk **Tel: +91 22 61596403/04**

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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Corporate Office:
4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:
24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392