



IPO Note

Cash Ur Drive Marketing

Recommendation: **NEUTRAL**

Company Background –

The company is an Out of Home (OOH) advertising company offering a diverse range of advertising solutions including transit media, outdoor media, print media and digital media services, tailored to help their clients effectively reach target audience. Their major source of revenue is transit media and outdoor media.

Objects of the Issue –

Particulars	Amt. in Lakhs
To meet their expenses for investment in technology.	531.00
To meet the capital expenditure requirements of the company.	597.49
To meet working capital requirements.	3,300.00
General corporate purposes.	-

Promoters Name –

Raghu Khanna, Parveen K Khanna, and Bhupinder Kumar Khanna.

Promoter Share Holding Pattern	
Pre Issue	Post Issue
78.21%	57.23%

Rationale for recommendation – Cash Ur Drive Marketing has a post-issue P/E of 12.98 indicating that it is fairly priced. The management team of the company is satisfactory as they have relevant educational qualifications and years of experience. The company has also shown good financial performance given by the increase in revenue figures as well as operating margins. However, there is customer concentration. Trade media continues to remain a major contributor of revenue. There are contingent liabilities worth ₹1,813.79 Lakhs and outstanding litigations against the company. Its capital structure is concerning as it has no long-term borrowings and will be fully equity post-issue. Promoter's share is also dropping to 57.23% post-issue indicating a lack of confidence. Moreover, it has negative cash flows from operating activities but is planning to set up EV charging and battery swap stations. Therefore, investors can stay **NEUTRAL** to this IPO for now.

IPO Details

Opening Date	Jul 31, 2025
Closing Date	Aug 04, 2025
Allotment Date	Aug 05, 2025
Listing Date	Aug 07, 2025
Stock Exchange	NSE SME
Lot Size	1,000 Shares
Issue Price Per Share	₹123 to ₹130 per share
Issue Size	60.79 Cr.
Fresh Issue	58.09 Cr.
Offer for Sale	2.69 Cr.
Application Amt	₹ 2,60,000 (2,000 shares)

KPI's	KPIs (In Lakhs)		
	FY 23	FY 24	FY 25
Revenue	7,940.80	9,375.09	13,932.39
EBITDA	542.09	880.54	2,067.18
Net Profit	514.54	921.82	1,767.60
RoCE	26.54%	35.62%	36.27%
ROE	35.80%	39.08%	31.58%
P/E	30.30	16.93	9.18

Particulars	Valuation Parameters	
	Pre-Issue	Post Issue
EPS	14.16	10.02
BVPS	42.48	31.72
P/E	9.18	12.98
P/BV	3.06	4.10
Mkt Cap (In Cr)	171.30	229.40

Lead Managers –

Narnolia Financial Services Limited

Registrar –

Bigshare Services Private Limited

Business Overview -

The company was incorporated in Jul 06, 2009 with its registered office in Chandigarh. The company offers end-to-end services which includes assisting clients in selecting suitable advertising channels within their budget and regional preferences, designing advertisements, managing negotiations, bookings of ad-space with chosen media agencies, and acting as intermediaries connecting clients with relevant media outlets.

The company recently started focusing on EV vehicles in Oct 21. It has entered into agreements for establishing: 68 EV charging stations in Delhi along with 10-year advertising rights, 15 EV charging and 19 battery swapping stations in Chandigarh, 10 EV charging stations in Dehradun with 10-year advertising rights, and 5 EV charging stations in Agra.

The company has its branches located at Chandigarh, Lucknow, Mumbai and Noida. Their clients are sourced either directly or through media agencies which includes corporate clients across numerous sectors such as pharmaceuticals, education, electronics, automobiles, FMCG, apparel, insurance, housing, hospitals, financial services, aviation, and government organizations.

Their business model involves securing accessible advertising space across various media platforms such as vehicles, hoarding sites, newspapers, charging stations, and digital screens. Advertising rights are acquired in two of the followings ways:

1. Trade Media - This model involves purchasing advertising space from other advertising companies or agencies. In exchange, these third-party providers charge a fixed amount for the duration of time the ad space is used. This approach makes the advertising space relatively costly.
2. Exclusive Media - Under this model, advertising rights are acquired directly from media owners in advance. This includes agreements with bus owners, cab operators, etc. resulting in a fixed monthly rental charge. It eliminates intermediary costs, providing a more efficient means of securing advertising spaces.

Acquisition Rights Wise Revenue Bifurcation:**(in Lakhs)**

Region	FY 23	%	FY 24	%	FY 25	%
Trade Media	7,696.53	96.94%	8,204.79	87.52%	11,282.56	80.98%
Exclusive Media	243.27	3.06%	1,170.30	12.48%	2,649.82	19.02%
Total	2,383.74	100.00%	2,264.10	100.00%	2,952.36	100.00%

As on the date of the RHP, the advertising rights owned by the company include 1,100 e-buses, 150 buses, 13,575 cabs, 87 EV charging and/or battery swapping stations, 36 public toilets, and 7 unipoles. Below is a list of the services offered by the company:

1. Transit Media – Cab branding (in-cab advertising, cab wraps, full wraps, partial wraps), bus branding, auto branding, fleet branding, and roadshows.
2. Outdoor Advertising – Billboards, digital wall painting, free standing panels, digital screens, and branding on EV charging stations.
3. Print Media – Newspaper, magazines, trade journals, etc.
4. Digital Media Advertising – Social media, website management, online reputation management, influencer outreach, paid marketing campaigns, analytics and reporting.

Service Wise Revenue Breakup:**(in Lakhs)**

Particulars	FY 23	%	FY 24	%	FY 25	%
Transit Media	2529.38	31.85%	3706.06	39.53%	5182.56	37.20%
Outdoor Media	5166.48	65.06%	5525.16	58.93%	7734.84	55.52%
Digital Marketing	244.94	3.08%	0	0.00%	322.69	2.32%
Print Media	0	0.00%	143.87	1.53%	692.29	4.97%
Total	7,940.80	100.00%	9375.09	100.00%	13932.38	100.00%

Business Strategies -

1. Expansion of existing service portfolios by further expanding into EV advertisements.
2. Continuing improvement in operating efficiencies through investment in technology to automate manual tasks, provide real-time insights, optimize resource allocation, and enhance decision making.
3. Setting up an in-house printing facility.
4. Secure long-term media rights by evolving from trade media to exclusive media.

Risk Factors -

- Although the share of exclusive media has increased over the years, trade media continues to hold a significant contribution to the revenue of the company, 80.98% in FY 25.
- The company has contingent liabilities worth ₹1,813.79 Lakhs as of Mar 31, 2025.
- There are 2 civil cases and 23 tax demands outstanding against the company aggregating to ₹1,813.8 Lakhs. There is 1 civil case against promoter group worth ₹16.52 Lakhs, and 1 civil case against group company worth ₹72.21 Lakhs.
- Transit and outdoor media have contributed 96.91%, 98.46%, and 92.72% of revenue from operations in FY 23, 24, and 25 respectively.
- The company has had negative cash flow from operating activities worth (₹35.37) and (₹1,439.3) Lakhs in FY 23 and 25 respectively.
- There is customer concentration as the top 10 customers have contributed 70.81%, 68.76%, and 61.34% of revenue from operations in FY 23, 24, and 25.
- Group companies have incurred losses in preceding 3 financial years.

Key Management

- The management consists of **Raghu Khanna (Managing Director and Chairman)**, **Parveen K Khanna (Whole Time Director)**, and **Bhupinder Kumar Khanna (Non-Executive Director)**. Raghu Khanna and Parveen K Khanna have 15 years of experience each in marketing, advertising, and branding & communication segments. Raghu Khanna has a B. Tech degree in electronics and communication engineering. Parveen K Khanna has M.A and M.Phil degrees. Bhupinder Kumar Khanna has 38 years of experience as a professor and M.Phil degree.
- Vivek Deorao Talmale** and **Alok Nigam** are **independent directors**. They both have relevant educational qualification and years of experience.
- Rajat Singhal** is the **CFO** and **Gagan Mahajan** is the **CS & CO**.

The management team is satisfactory as they are experienced and have relevant educational qualifications.

Industry Overview -

The Indian advertising market was valued at ₹908.6 billion in 2024 and is projected to more than double to ₹2.11 trillion by 2033, reflecting a robust compound annual growth rate (CAGR) of 9.37% between 2025 and 2033. Recent trends indicate that Indian companies are increasingly leveraging advertising not only to retain customers but also to expand market share. The growth of digital media, in particular, has enabled broader and more cost-effective consumer outreach. As smartphone penetration increases and internet access becomes more widespread, digital advertising is gaining momentum across urban and rural markets.

The media and entertainment (M&E) sector in India is being propelled by multiple macroeconomic drivers. One of the most significant of these is income growth. India's per capita income stood at US\$2,538.10 in 2024 and is expected to rise to approximately US\$3,000 by 2025. Government policy and investment inflows are also accelerating industry growth. The Government of India raised the FDI cap in the media and entertainment sector from 74% to 100%. Additional government initiatives include the formulation of a National Film Policy, the establishment of a National Centre for Animation, Gaming, Visual Effects, and Comics, and targeted efforts to expand the "Make in India" initiative into creative industries. These efforts aim to scale the M&E sector's output to US\$10 billion by 2027.

The India outdoor advertising market generated US\$1,340 million (₹~10,900 crore) in revenue in 2024 and is forecasted to reach US\$2,216.5 million (~₹18,000 crore) by 2033, growing at a CAGR of 5.8 percent during 2025–2033. The digital out-of-home (DOOH) segment was worth US\$282.6 million in 2024, with a faster growth rate of 13.8 percent CAGR to US\$630 million by 2030. Within the broader OOH market, digital billboards were already the largest revenue-generating format, while transit advertising (e.g., ads on vehicles and at stations) remains the fastest-growing sub-segment.

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India's passenger EV penetration grew from just around 2 percent during 2023–24 to approximately 4.1 percent in May 2025, according to FADA data—up from 2.6 percent in May 2024 and 3.5 percent in April 2025. Overall EV penetration across all vehicle types reached 7.8 percent in FY 25, a modest rise from 7.1 percent in FY 24. Looking ahead, EV adoption is projected to reach 5 percent by FY27 and 9 percent by FY30 for passenger cars, with total EV sales (including two- and three-wheelers) expected to approach 30–35 percent of vehicle sales by FY30.

In 2024, the auto sector's advertising expenditure (auto AdEx) stood at around ₹4,900 crore, within an overall Indian AdEx of ₹1 lakh crore. EV brands' share of auto AdEx is expected to rise from approximately 38 percent in 2023 to over 50 percent by 2027. EV advertising spend itself grew from a projected US\$160 million in 2020 to US\$260 million in 2024, and is set to contribute up to half of the total auto ad spend (approx. US\$520 million) by 2027. Notably, EV ad volumes on TV and print increased nearly four-fold in 2023 compared to 2022, led by Tata Motors on TV (26 percent of EV ad spots) and MG Motor in print (51 percent of ad space).

Lead Manager

Narnolia Financial Services Limited has handled 19 IPOs in preceding 3 years out of which 2 have opened at a discount.

Peer Analysis

Particulars	Cash Ur Drive Mareting			DAPS Advertising Limited*			Bright Outdoor Media Limited*		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	6.48%	9.83%	12.69%	6.51%	5.11%	6.07%	7.71%	14.95%	14.89%
EBITDA Margin	6.83%	9.39%	14.84%	9.60%	8.11%	9.65%	13.72%	21.70%	21.37%
RoCE	26.54%	35.62%	36.27%	18.15%	9.57%	-	12.44%	15.09%	-
ROE	35.80%	39.08%	31.58%	13.36%	6.96%	-	7.15%	10.97%	-
EPS (INR)	4.29	7.68	14.16	4.58	2.11	2.29	3.93	7.68	8.74
P/E	30.30	16.93	9.18	5.02	13.51	7.42	26.12	41.93	35.85

*Balance sheet of FY 25 is not available for the two companies. Therefore, RoCe and RoE are blank.

FINANCIAL SNAPSHOT

Key Performance Indicators: (in Lakhs)				Key Ratios:			
Particulars	FY 23	FY 24	FY 25	Particulars	FY 23	FY 24	FY 25
P&L Statement				Per Share Data			
Total Income	8,131.10	9,776.92	14,218.07	Diluted EPS	4.29	7.68	14.16
Total Expenses	7,446.40	8,568.56	11,897.86	BV per share	1,437.25	39.32	42.48
EBITDA	542.09	880.54	2,067.18	Operating Ratios			
EBIT	518.25	860.25	2,047.76	EBITDA Margins	6.83%	9.39%	14.84%
PBT	684.70	1,208.36	2,320.21	PAT Margins	6.48%	9.83%	12.69%
Tax Expenses	170.16	286.54	552.61	Inventory days	1.52	1.48	-
Net Profit	514.54	921.82	1,767.60	Debtor days	151.93	139.89	97.09
Balance Sheet				Creditor days	235.01	360.82	100.99
Total Equity	1,437.25	2,359.07	5,597.67	Return Ratios			
Assets				RoCE	26.54%	35.62%	36.27%
Non-Current Assets	1,508.17	2,520.03	3,431.71	RoE	35.80%	39.08%	31.58%
Current Assets	6,124.89	6,815.66	6,007.05	Valuation Ratios (x)			
Total Assets	7,633.06	9,335.69	9,438.76	EV/EBITDA	3.30	1.09	2.33
Liabilities				Market Cap / Sales	0.02	0.83	1.23
Non-Current Liabilities	515.17	55.76	47.48	P/E	30.30	16.93	9.18
Current Liabilities	5,680.64	6,920.86	3,793.61	Price to Book Value	0.09	3.31	3.06
Total Liabilities	6,195.81	6,976.62	3,841.09	Solvency Ratios			
Cash Flow Statement				Debt / Equity	0.35	0.02	0.00
CFO	146.71	2,856.49	-1,063.43	Current Ratio	1.08	0.98	1.58
CFI	-651.24	-597.00	-642.92	Quick Ratio	1.07	0.98	1.58
CFF	345.35	-514.67	1,430.11	Asset Turnover	1.04	1.00	1.48
				Interest Coverage Ratio	21.73	16.01	154.78

Financial Analysis

- Revenue from operations increased by 18.06% and 48.61% in FY 24 and 25 respectively. Total income grew by 20.24% and 45.42% during the same time period. The growth has been due to a rise in trade media and exclusive media.
- While the cost of service has increased every year, cost of goods purchased has decreased by 62.07% and 7.09% in FY 24 and 25 respectively. This is because of decrease in purchases and consumables consumed during the year.
- Depreciation has decreased due to a lower opening WDV (Written Down Value) every year.
- The significant increase in other expenses in FY 24 of 61.12% was due to an increase in bad debts written off amounting to ₹224.17 Lakhs. It increased in FY 25 by 47.58% due to increase in rent, travel conveyance, business promotion, etc.
- There has been a consistent increase in revenue figures as well as the operating margins of the company.
- The company has no long term borrowings. A substantial portion of current liabilities and assets are trade payables and receivables respectively. As of Mar 31, 2025, the company also has 0 inventory.

The company has performed well every year given by the increase in revenue figures and operating margins. However, it is not utilising debt at all. The capital structure of the company post-issue is going to be wholly equity which is not favourable. A company should leverage both, debt and equity.

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