



HARLEY'S INDIA PVT LTD

RESEARCH REPORT

20th March 2025



AlphaStrat
Research



AUTHOR

ANIKET NERKAR
SEBI Registered Research Analyst

Harley's India Pvt Ltd
CIN: U15412TG2019PTC136142
ISIN: INE1FUB01013

Registered Address:
Survey No.55/E, Nanakramguda,
Gachibowli, Seri Lingampally,
Telangana - 500032

Incorporation Date:
17th October 2019

Research Report
Analysis Period: FY 2020 - FY 2025

Author:
Aniket Nerkar
SEBI Registration Number: INH000009162

Designer:
Dristi Maisheri





CONTENTS

About Harley's

Introduction	1
Harley's Ideology & Vision	2
Management	3
Location & Geographical Presence	4

Harley's Business

Business Operations	5
Product Segments	7

Business Model

Business Model & Analysis	9
Segmentation by Approach	10
Segmentation by Digital & Physical Sales	11

Financial Analysis

Balance Sheet Trends	13
Income & Cash Flow Trends	14
Financial Ratios	15
Financial Performance Analysis	16
Operational Performance Analysis	19

Industry Analysis

Food Service Industry	22
Harley's Market Positioning	23
Bakery-Café Chains in India	27
Consumer Study	30
Funding in F&B	33
SWOT Analysis	34

Peer Analysis

Competitive Landscape	36
Peer Group	37
Peer Financials	39
Comparative Analysis	41

Projections & Valuation

Financial Projections	43
Harley's Valuation	44
Industry Comparison	45

Future Plans

Roadmap for Expansion	46
Capital Raise & Capital Expenditure	47
IPO Plans	48

Corporate Structure

Shareholding Pattern & Board of Directors	49
Subsidiaries & Group Companies	50

Awards & Achievements

Economic Analysis

Company Information

Sources & References

Disclosures & Disclaimers

About Harley's

Harley's is a premium segment F&B chain specializing in cakes, coffee, and confections. Founded in 2019 in Hyderabad by Mr. Suresh NR, the company operates restaurants and lounges under the brand name Harley's Ivory Lounge. An Indian brand, Harley's has carved a niche in offering French-origin desserts and artisanal cakes sourced from around the world.

As of December 2024, Harley's operates 30 outlets, including 6 Victorian-styled lounges and 24 quick-service restaurants (QSRs) and Cloud Kitchens across Hyderabad, Bangalore, and Mumbai. The lounges are designed to provide a luxurious experience, blending vibrant yet simple colors with a rich and premium café ambiance. This concept stems from the founder's vision of addressing the lack of spacious lounges where people can indulge and celebrate.

The company's founder emphasizes that cakes and confections have traditionally catered to the mass market, leaving a significant gap for premium and quality desserts. India's evolving purchasing power and its position as a global destination have created a thriving market for exquisite products and services. Harley's primarily attracts Gen Z customers, for whom cakes and confections are aspirational and symbolic of celebrations and positivity.

Adding to its premium appeal, Harley's sources its coffee beans from the pristine Harley Estate in the hills of Sakleshpura, Karnataka. This commitment to quality is reflected in its offerings and overall brand experience.

The company has demonstrated impressive financial growth, recording a turnover of INR 28 crores in FY24 and achieving a revenue of INR 37 crores in the first three quarters of FY25. Positioned as a leading player in the premium Food Service segment, Harley's continues to expand its footprint in metro cities, catering to a growing demand for luxury and quality in F&B (Food & Beverage) space.



Image Source: Harley's Website, Zomato



About Harley's

Harley's Ideology & Vision

Harley's tagline, "Artisan Cakes & Exotic Coffee," encapsulates the brand's focus on offering rich European desserts while introducing the "Kaffee und Kuchen"—"Coffee and Cakes"—tradition to India.



India's robust economic growth has fueled an aspirational market as disposable incomes have risen significantly in urban areas. The country, with its massive population of 1.4 billion, boasts the world's largest youth demographic, with 40% or approximately 700 million people under the age of 40. This presents a substantial opportunity for premium lounges and baking segments, where a notable gap persists.

Globalization, amplified by the influence of social media, has spurred an unprecedented demand for premium F&B products. Since 2020, exclusive and high-end brands have increasingly targeted the Indian market. Millennials and Gen Z, influenced by social media, have embraced western luxuries and delicacies, and Harley's is positioned to cater to their evolving tastes by delivering both western flavors and a premium experience.

Historically, the Indian market was dominated by traditional sweets until chocolates and other confections gained popularity in the early 2000s. Over the past two decades, chocolates, cakes and related confections have seen exponential growth. According to a report by *Invest India* in collaboration with *EY*, the chocolate confections market has been growing at a CAGR of 8% since 2016.

This shift in taste, particularly among newer generations, emphasizes the growing preference for western desserts and sweets. Digital media's impact on Gen Z has further shaped their choices, including their preferences for refreshments. Harley's aims to tap into this expanding market, which, according to *Gourmet Pro*, valued the Indian confectionery market at \$6 billion in 2024, with an anticipated growth at a CAGR of 5.3% until 2029.

Western sweets and confectionaries have significantly captured a large proportion of the overall dessert market in India over the last 2 decades



2000



2024



The Indian Confectionary Market is growing by 5.3% CAGR.

About Harley's

Management

Suresh N.R.

Founder & CEO

Suresh NR, the visionary behind Harley's, is an accomplished IIM Calcutta graduate with a diverse portfolio of achievements. As an educationalist, entrepreneur, angel investor, and master trainer, his influence spans multiple domains. Currently, he serves as the Founder and CEO of Harley's, alongside key roles such as Chairman of ISTTM Business School and the Governing Board of IIM Udaipur.

During his tenure in the Tech Mahindra Global Leadership Cadre, he spearheaded the Middle East business, achieving remarkable growth from \$20 million to \$250 million in just two years. Recognized with the *National Award for the Best Social Enterprise of India* in 2019, Suresh has also mentored over 300 entrepreneurs, graduated 1,200+ business management professionals, and generated employment for more than 6,500 individuals, showcasing his commitment to societal impact and innovation.

Lakshmiram Lavudiya

Director

Kaali Sudheer

Chief Strategy Officer

Harishankar Goud

Chief Operations Officer

Prathaban Guruswamy

Business Head

Girish Naryan Sharma

Head Chef

Ganga Charan Singh

Head of Procurement

Akshay Sharma

Brand Manager

Sekhar

Head of Finance

About Harley's

Locations & Geographical Presence



Harley's Business

Business Operations

Harley's operates in a niche segment encompassing cakes, confectionaries, and café experiences—a category that has gained significant traction since the early 2010s. This growth is largely attributed to rising disposable incomes and the evolving preferences of Gen Z and Millennials, particularly in the post-pandemic era.

The company competes with well-established Indian brands such as *Theobromas*, *Flurys*, *Conçu*, *Labonel*, and *L'Opera*, while also facing competition from international chains like *Ladurée*, *Paul*, *Bagelstein*, and *Magnolia*, which have recently entered the Indian market.

Harley's is a Premium Bakery-Café



Harley's specializes in cakes and confectionaries, offering exclusive recipes inspired by global artisan cake-making traditions. Catering to the moderate-premium segment, the company reports an Average Order Value (AOV) of INR 700 to 900, according to its management.



Observed an AOV of ₹700 to ₹900 in H1 FY25

In addition to its patisserie and confections, Harley's delivers a refined dining experience at its 'Ivory Lounge' outlets. These lounges, characterized by a luxurious Victorian ambiance, serve Italian and other European cuisines, elevating the brand's offerings.

In FY24, the company generated INR 28 crores in revenue. Digital sales contributed 53% of this revenue, amounting to INR 14 crores. Cakes and confectionaries accounted for 85% of overall sales, while food and beverages served exclusively at retail outlets made up the remaining 15%.

Harley's Business

No. of Physical Outlets as of 31st December 2024 by segment operated by Harley's



8 Cloud Kitchens



16 QSR Outlets



6 Ivory Lounges



Harley's Ivory Lounge in Bengaluru



Harley's Ivory Lounge in Hyderabad



Harley's Ivory Lounge in Mumbai

This strategic approach positions Harley's as a leader in the premium Food Service sector, emphasizing innovation and a deep understanding of its target audience's preferences.

Cakes & Confectionaries



Coffee & Other Beverages



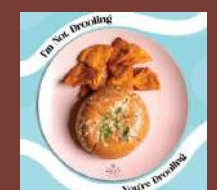
Bakery Items



Assortments & Gifting



Food



Product Segments

Cakes & Confectionaries

Harley's places significant emphasis on cakes and confectionaries, introducing and promoting the Western tradition of "*Kaffee und Kuchen*" in India. The company offers an extensive range of artisanal delights, including French Macarons, Tres Leches, Cheesecakes, and Medoviks.

Among its offerings, Medovik—a signature product inspired by Russia's Queen Cake—stands out as a customer favorite, with 17 distinct flavors tailored to the Indian palate. These cakes are available at standardized prices of INR 225 to INR 235 across all outlets. Cheesecakes, another highlight, come in 11 pastry varieties and 12 gourmet options, priced between INR 235 and INR 245, reflecting their growing popularity in India. Additionally, Harley's features 12 types of Tres Leches cakes and 11 flavors of French Macarons. For special occasions, Harley's offers celebration cakes weighing between 750 grams and 1,000 grams, priced at INR 1,050 across all outlets. This diverse portfolio with highly competitive pricing has cemented Harley's as a leader in the premium dessert market.



Harley's Medovik Pastry

Coffee & Beverages

Harley's coffee and beverage segment complements its dessert offerings, featuring ten types of hot brews with five varieties and flavors, alongside cold beverages such as cold brews, frappes, and iced teas. The coffee is sourced from the renowned Harley's estate (no relation to Harley's India) in the hills of Sakleshpura, Karnataka, ensuring premium quality.

Hot coffee beverages are priced between INR 195 and INR 325 per serving, while cold brews and iced teas range from INR 225 to INR 350. Each cup of coffee is accompanied by a complimentary piece of Harley's signature Medovik, enhancing the overall customer experience.

Targeted at Gen Z and seasoned café enthusiasts, Harley's beverages contribute 8% to the company's overall turnover, creating a balance between affordability and exclusivity.



**German Tradition:
Kaffee & Kuchen**

Harley's Business

Food & Snacks

Harley's also offers a selection of Western-centric snacks, including burgers, sandwiches, wraps, pastas, and pizzas. The bakery section features freshly baked bread, croissants, bagels, and puffs, priced between INR 80 and INR 180.

Food items, available only at the Ivory Lounges and Ivory Rooms (QSR Outlets), are deliberately excluded from online sales to maintain Harley's brand identity as a premium provider of cakes and confectionaries. Priced between INR 150 and INR 400, these snacks contribute 7% to the company's overall sales.

Harley's typically offers cuisine that aligns perfectly with the choice of the younger generation. With distinct changes in the recipe of popular food items accompanied with rich ambiance, Harley's has been widely successful in amassing crowds at its physical stores.



Distribution of Harley's Sales Generated by different F&B Segments

Source: Harley's Management

Product Pricing at Harley's

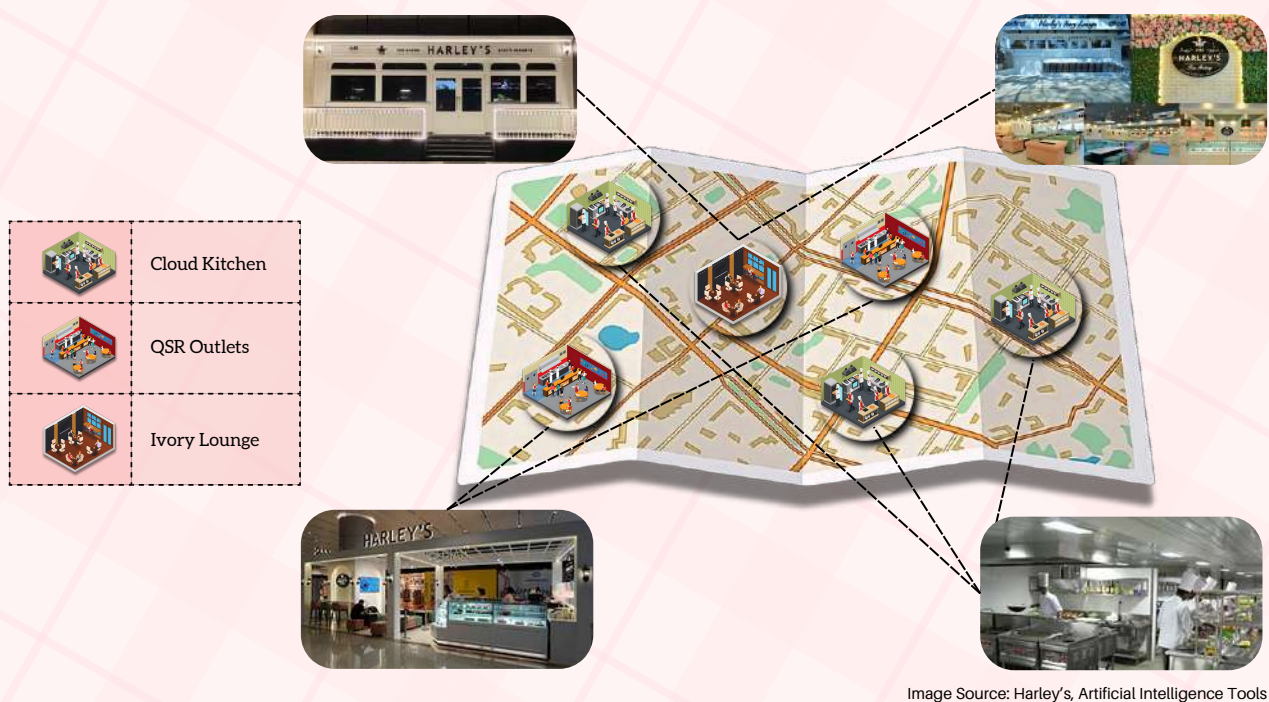


Source: Harley's Menu - Zomato

Business Model

Business Model Analysis

Harley's operates on a clustering model that strategically groups its various outlets and operational centers, including Ivory lounges, QSR outlets, cloud kitchens, and dark stores, into a single cluster. These clusters are established in premium territories identified by factors such as population density, income levels, and standard of living, ensuring maximum reach and efficiency within a geographical area.



The founder explains that dividing operations into clusters improves resource distribution, optimizes costs, and maximizes sales. A typical cluster consists of 1 lounge, 2-3 QSR outlets, and 2-3 cloud kitchens, allowing each cluster to operate independently while minimizing logistical and operational expenses. For example, Harley's currently has three clusters in Hyderabad, two in Bangalore, and one in Mumbai, as of December 2024. QSR outlets and cloud kitchens within these clusters can be easily relocated to adapt to changing dynamics.

This business model has proven highly effective, enabling Harley's to cover large delivery areas within cities, maximize profitability, and reduce the cost of digital sales. The centralized preparation of cakes and confectionaries within clusters helps manage procurement and lower operational costs. The company's digital platforms focus exclusively on cakes and confectionaries, aligning with its brand ideology, while food and beverages are available only at physical outlets.

Business Model

Harley's also taps into the gifting market by offering premium packaging for assorted collections of cakes and confections, boosting sales during festive seasons like Diwali and Christmas. According to the management, cakes and confectionaries contribute 85% of total sales, with food and beverages making up the remaining 15%.

Additionally, Harley's boasts a swift turnaround time for setting up new outlets. Lounges typically become operational within 40 to 60 days, while QSR outlets and cloud kitchens can be established within 7 to 15 days, depending on location. The company leverages third-party cloud kitchen services to set up cloud kitchens and dark stores, further enhancing its operational flexibility and scalability.

Segmentation by Approach

Harley's business strategy is built around three core revenue streams: premium café experiences, innovative desserts and celebration cakes, and gifting.

Premium Café Experience through Ivory Lounges

a

Harley's identifies high-consumption territories for its premium Ivory Lounges, which typically span 1,200 to 2,000 square feet.

b

Operating such lounges involves significant costs, with rent and maintenance comprising the largest portion. In FY24, rent and operational expenses totaled INR 3.32 crores, accounting for 24% of the INR 14 crore revenue generated from physical sales.

c

These lounges offer seating arrangements akin to casual dining spaces, encouraging a relaxed ambiance but leading to slower customer rotation per table.

d

Designed with bright colors to stand out from typical coffee shop chains like Starbucks, Gloria Jeans, or Third Wave Coffee, these lounges aim to enhance customer recall and drive long-term profitability.

Innovative Desserts and Celebration Cakes

a

Aligning with its tagline, "Artisan Cakes & Exotic Coffee," Harley's bridges the gap between the distinct segments of cakes and coffee, a novel concept in India before the 2010s.

b

Its dessert portfolio appeals to GenZ and Millennials with higher spending capacity, featuring innovative recipes inspired by traditional European and Russian cakes.

Business Model

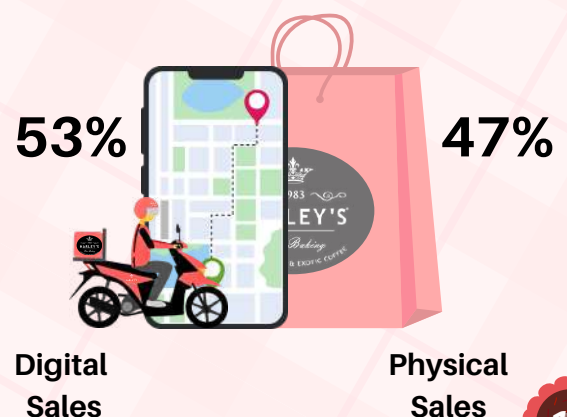
- c** Harley's prides itself on being India's first manufacturer of 100% vegetarian French macarons.
- d** While cookies, cupcakes, and pastries dominate the Indian confectionary market, premium offerings like Tres Leches and French macarons are steadily gaining traction.
- e** The company follows a standardized pricing model across its dessert categories.
- f** Although its primary focus remains desserts, Harley's also offers celebration cakes for birthdays and parties.

Gifting

- a** Harley's is carving a niche in the gifting market, where currently 90% of festive gifts comprise traditional sweets, leaving only 10% for chocolates and other confections.
- b** The company offers premium packaging for assorted cakes and confectionaries, tailored specifically for gifting purposes.
- c** Overcoming challenges like shelf life and storage of baked goods is critical to expanding this segment. Innovations in recipes and preservation techniques are helping address these issues, similar to trends seen in traditional sweets.
- d** Founder Suresh believes gifting will become a significant revenue driver in the coming years, as Harley's strengthens its brand in this space.

Segmentation by Digital & Physical Sales

Harley's leverages both physical outlets and digital platforms to maximize its reach and cater to diverse customer preferences. The company's dual approach ensures a seamless blend of in-store experiences and convenient online access to its offerings.



Business Model

Physical Sales

Harley's operates two distinct types of physical outlets: *Ivory Lounges* and *Ivory Rooms*. Ivory Lounges are premium spaces designed with comfortable seating to provide a relaxed dining experience, ideal for customers who wish to unwind or work. In contrast, Ivory Rooms are Quick Service Restaurants (QSRs) that focus on takeaways, offering a complete range of cakes but a limited food menu.

Among the two formats, lounges account for a larger share of physical sales, thanks to their immersive ambiance. The Average Order Value (AOV) across both lounges and QSR outlets ranges between INR 800 and INR 900. Harley's strategic investment in visually appealing outlet designs resonates with younger generations, encouraging them to share their experiences on social media platforms like Instagram.

The choice of QSR locations reflects Harley's focus on high-footfall areas such as universities, business parks, airports, and hospitals with maternity wards. This targeted placement maximizes visibility and convenience for its customers. Furthermore, the company plans to amplify brand awareness through social media campaigns and other digital media strategies, reinforcing its presence in both local and digital spaces.

Digital Sales

Digital platforms play a pivotal role in Harley's sales strategy, contributing 53% of the company's total revenue. Through these platforms, Harley's exclusively offers cakes, confectionaries, and premium packaged assortments. Individual desserts are the largest contributors to digital sales, followed closely by celebration cakes.

Special occasions and festivals significantly boost digital sales. For instance, Harley's achieved a remarkable turnover of over INR 1.5 crores on Christmas Eve 2024, underscoring the potential of festive seasons. The company is also focused on increasing sales of its assorted packs, which are especially popular as gifts during holidays and celebrations.

Harley's cluster model ensures efficient delivery and resource optimization, allowing it to cover vast territories while minimizing supply and delivery costs. This operational efficiency, coupled with a consistent AOV of INR 700 to INR 800, mirrors the success of its physical outlets and highlights its digital prowess in reaching a broad customer base.

Financial Analysis

Balance Sheet Trends

All figures in INR Crores

<u>Equity & Liabilities</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>H1 FY25</u>
<u>Equity</u>						
Share Capital	0.01	0.01	0.91	0.91	4.00	4.00
Reserves & Surplus	-	-	0.07	1.18	3.22	6.15
Other Equity	-	-	-	-	-	-
Total Equity	0.01	0.01	0.98	2.09	7.22	10.15
<u>Liabilities</u>						
<u>Non-Current Liabilities</u>						
Long-Term Borrowings	-	-	0.15	0.15	1.01	6.41
Net Deferred Tax Liabilities	-	-	-	0.01	0.01	0.01
Other Long Term Liabilities	-	-	-	-	-	-
Long Term Provisions	-	-	-	-	-	-
Total Non-Current Liabilities	0.00	0.00	0.15	0.16	1.01	6.42
<u>Current Liabilities</u>						
Short Term Borrowings	-	-	-	0.46	2.20	1.16
Trade Payables	-	-	0.21	1.09	1.68	1.50
Other Current Liabilities	-	-	0.01	0.89	1.29	1.15
Short Term Provisions	-	-	0.01	0.01	1.49	1.19
Total Current Liabilities	0.00	0.00	0.23	2.45	6.66	5.01
Total Liabilities	0.00	0.00	0.38	2.61	7.68	11.42
Total Equity & Liabilities	0.01	0.01	1.36	4.70	14.90	21.57
<u>Assets</u>						
<u>Non-Current Assets</u>						
Net Fixed Assets	-	-	0.61	2.23	7.06	9.11
Non-Current Investments	-	-	-	-	0.03	-
Net Deferred Tax Assets	-	-	-	-	-	-
Long Term Loans & Advances	-	-	-	-	-	-
Other Non-Current Assets	-	-	-	-	-	-
Total Non-Current Assets	0.00	0.00	0.61	2.23	7.09	9.11
<u>Current Assets</u>						
Current Investments	-	-	-	-	-	-
Inventories	-	-	0.10	0.41	1.82	4.54
Trade Receivables	-	-	0.07	0.14	0.45	1.23
Cash & Bank Balances	0.01	0.01	0.07	0.21	2.33	2.36
Short Term Loans & Advances	-	-	0.21	0.46	2.86	3.68
Other Current Assets	-	-	0.30	1.25	0.36	0.65
Total Current Assets	0.01	0.01	0.75	2.47	7.82	12.46
Total Assets	0.01	0.01	1.36	4.70	14.90	21.57

Note: Only Audited Financials have been used for Analysis in this section.

Financial Analysis

Income Trends

All figures in INR Crores

	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>H1 FY25</u>
Net Revenue	-	-	1.54	14.01	28.12	21.81
<u>Operating Cost</u>						
- Cost of Materials Consumed	-	-	0.64	6.62	10.19	7.03
- Purchase of Stock-in-trade	-	-	-	-	-	-
- Changes in Inventories/Finished Goods	-	-	-	-	-	-
- Employee Benefits Expense	-	-	0.25	1.85	3.76	2.79
- Other Expenses	-	-	0.53	4.11	8.74	7.08
<u>Total Operating Cost</u>	-	-	1.42	12.58	22.69	16.89
Operating Profit (EBITDA)	-	-	0.12	1.43	5.44	4.91
Other Income	-	-	-	-	-	-
Depreciation & Amortization	-	-	0.03	0.22	1.17	1.01
Earnings Before Interest & Tax (EBIT)	-	-	0.09	1.21	4.27	3.90
Finance Costs	-	-	-	0.10	0.19	0.34
Earnings Before Tax & Exceptional Items	-	-	0.09	1.11	4.08	3.56
Exception Items	-	-	-	-	-	-
Profit Before Tax	-	-	0.09	1.11	4.08	3.56
Income Tax	-	-	0.01	-	0.70	0.63
Profit for the Period	-	-	0.08	1.11	3.38	2.92

Note: Only Audited Financials have been used for Analysis in this section.

Cash Flow Trends

All figures in INR Crores

	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>H1 FY25</u>
Profit Before Tax for the year	-	0.09	1.11	4.08	3.56
<u>Cash Flows from Operating Activities</u>	-	-0.34	1.60	2.62	-0.92
<u>Cash Flows from Investing Activities</u>	-	-0.64	-1.84	-6.02	-3.06
<u>Cash Flows from Financing Activities</u>	-	1.04	0.37	5.52	4.02
Net Inc/Dec in Cash & Cash Equivalents	-	0.06	0.13	2.12	0.04
Cash & Cash Equivalents at the Beginning of the Period	0.01	0.01	0.07	0.21	2.33
Cash & Cash Equivalents at the End of the Period	0.01	0.07	0.21	2.33	2.36

Financial Analysis

Financial Ratios

Financial Ratios

	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
<u>Performance Ratios</u>					
Revenue Growth (%)	-	-	-	809.80%	100.74%
EBITDA Growth (%)	-	51.75%	-8213.90%	1046.07%	280.69%
Profit Growth (%)	-	51.75%	-5034.81%	1361.83%	205.17%
<u>Return Ratios</u>					
Return on Equity (RoE)	-11.26%	-20.60%	9.23%	53.17%	56.49%
Return on Assets (RoA)	-10.13%	-15.43%	6.67%	23.67%	27.39%
Return on Capital Employed (RoCE)	-11.26%	-20.60%	8.04%	49.42%	49.54%
<u>Profitability Ratios</u>					
EBITDA Margin	-	-	8.09%	10.19%	19.33%
EBIT Margin	-	-	5.90%	8.63%	15.18%
EBT Margin	-	-	5.90%	7.94%	14.51%
Net Profit Margin (NPM)	-	-	4.92%	7.91%	12.02%
<u>Liquidity Ratios</u>					
Current Ratio	10.0	4.0	3.3	1.0	1.2
Quick Ratio	10.0	4.0	2.8	0.8	0.9
Cash Ratio	10.0	4.0	0.3	0.1	0.3
Debt-to-Equity	-	0.0	0.2	0.7	0.6
<u>Inventory Ratios</u>					
Days Sales Outstanding (DSO)	-	-	16	4	6
Days Payables Outstanding (DPO)	361	594	54	32	27
Inventory Days (DIO)	-	-	11795	66	32
Working Capital Cycle	-	-	11757	38	11
<u>Other Ratios</u>					
Asset Turnover	-	-	2.2	4.6	2.9
Raw Material Margin	-	-	41.31%	47.25%	36.22%
Employee Cost to Sales	-	-	16.36%	13.20%	13.37%
Platform Fees to Sales	-	-	18.21%	15.77%	13.16%
Marketing Cost to Sales	-	-	1.69%	1.80%	0.82%
Rent & Maintenance Margin	-	-	6.50%	1.02%	8.09%

Financial Analysis

Financial Performance Analysis

Shareholder's Equity



Harley's increased its Authorized Share Capital from INR 300 lakhs to INR 1,500 lakhs on 19th February 2024, maintaining the same Face Value of INR 10 per share.



On 12th and 29th February 2024, the company allotted 11,37,500 and 19,52,500 equity shares, respectively, to its existing promoters.



The company's Paid-up Capital saw a significant rise from INR 91 lakhs to INR 400 lakhs in FY24. The Paid-up Capital stands at INR 1200 lakhs as of 31st December 2024.



As of FY24, Harley's has a total of 40,00,000 outstanding shares.



The company has been bootstrapped since its inception, with no equity raised from external investors.



Harley's has not issued any preference shares to individuals or institutions to date.

Loans & Liabilities



Long-term borrowings increased sixfold, from INR 15 lakhs in FY23 to INR 101 lakhs in FY24, and further to INR 640 lakhs in H1 FY25, driven by expansion plans. Approximately 88% of these borrowings are secured.










Short-term borrowings rose by 3.78 times, from INR 46 lakhs in FY23 to INR 220 lakhs in FY24.








Short-term provisions include INR 35 lakhs in employee salaries, with additional details undisclosed.

Financial Analysis

Assets and Inventory









-  Tangible assets grew 216% y-o-y, reaching INR 706 lakhs in FY24 compared to INR 223 lakhs in FY23.
-  Investments of INR 2.7 lakhs were made in sister concerns, planned for integration as subsidiaries.
-  Short-term loans and advances increased from INR 286 lakhs in FY23 to INR 368 lakhs in H1 FY25, including INR 257 lakhs as rent deposits and INR 27 lakhs in salary advances.
-  Cash balances stood at INR 233 lakhs in FY24.
-  Trade receivables rose from INR 45 lakhs in FY24 to INR 123 lakhs in H1 FY25.
-  Inventory valuation surged from INR 41 lakhs in FY23 to INR 182 lakhs in FY24, further increasing by 149% in H1 FY25 due to mid-year adjustments.
-  Total assets grew from INR 470 lakhs in FY23 to INR 1490 lakhs in FY24, reaching INR 2156 lakhs in H1 FY25.

Business Performance









-  Revenue doubled from INR 1401 lakhs in FY23 to INR 2812 lakhs in FY24, with INR 2181 lakhs generated in H1 FY25.
-  EBITDA experienced a 280% growth, increasing from INR 143 lakhs in FY23 to INR 544 lakhs in FY24, and stood at INR 491 lakhs in H1 FY25.
-  Cost of materials rose by 54%, aligning with the company's growth. Material consumption in H1 FY25 was INR 703 lakhs.
-  Finance costs nearly doubled from INR 10 lakhs in FY23 to INR 19 lakhs in FY24.
-  Net profit grew by 207%, rising from INR 111 lakhs in FY23 to INR 338 lakhs in FY24, with INR 292 lakhs recorded in H1 FY25.

Financial Analysis

Financial Performance Metrics

-  Harley's maintained a Return on Equity (RoE) of approximately 50% in FY23 and FY24.
-  Return on Assets (RoA) improved from 23.67% in FY23 to 27.39% in FY24.
-  Return on Capital Employed (RoCE) remained steady at 49%.
-  Revenue, EBITDA, and PAT saw y-o-y growth of 101%, 281%, and 205%, respectively.
-  Profitability margins improved significantly:
 -  EBITDA Margin rose from 10.19% in FY23 to 19.33% in FY24.
 -  EBIT Margin increased from 8.63% in FY23 to 15.18% in FY24.
 -  Net Profit Margin (NPM) climbed from 7.91% in FY23 to 12.02% in FY24.




Liquidity and Operational Metrics

-  Current Ratio improved from 1.0 in FY23 to 1.2 in FY24, while the Quick Ratio rose from 0.8 to 0.9.
-  Cash Ratio improved significantly, from 0.1 in FY23 to 0.3 in FY24.
-  Debt-to-Equity Ratio decreased from 0.7 in FY23 to 0.6 in FY24.
-  Days Inventory Outstanding (DIO) reduced from 66 days to 32 days, driven by improvements in operational efficiency.
-  Raw material margin dropped from 47.25% in FY23 to 36.22% in FY24, reflecting evolving cost structures.
-  Employee cost to sales increased slightly, from 13.20% to 13.37% in FY24.
-  Marketing cost to sales improved significantly, declining from 1.80% to 0.82% in FY24.
-  Rent and maintenance costs as a percentage of sales rose from 5.02% to 8.09%, reflecting higher fixed costs amid expansion.



Operational Performance Analysis

FY24


1 Digital Sales and Marketing Efficiency:

-  Digital sales contributed 53% of Harley's overall sales, maintaining parity with FY23.
-  Marketing expenses were tightly controlled, constituting just 1.7% of overall sales.
-  Customer Acquisition Cost (CAC) stood at INR 45, with a Customer Retention Ratio (CRR) of 65%.



2 Performance of Ivory Lounges:

-  Hyderabad: The city's three Ivory Lounges recorded a combined Average Monthly Footfall (AMF) of approximately 2000 customers.
-  Bangalore: With just one Lounge, Bangalore attracted an estimated AMF of 1000 customers, indicating higher traction per outlet compared to Hyderabad.

3 Regional Contribution to Sales:



-  Bangalore contributed 25% of overall sales, amounting to INR 7 crores, with the highest Territory Contribution (TC) due to its efficient single-cluster model of one Lounge and one cloud kitchen.

4 Average Order Value (AOV):



-  AOV at Ivory Lounges was INR 700 in FY24, rising to INR 800 in FY25.
-  This increase was driven by the reclassification of cakes and confectionaries into the 18% GST bracket from the earlier 5% bracket.

Financial Analysis

5 Annual Per Store Sales (APSS):



-  Hyderabad generated over INR 21 crores in sales, but Bangalore's APSS was about 4 times higher, with superior performance despite having just one Lounge.
-  Hyderabad had 11 outlets (3 Ivory Lounges and 8 QSR outlets), while Bangalore operated a single Lounge.

6 Hyderabad Market Trends:


-  Hyderabad witnessed a 51% increase in APSS, from INR 0.47 crores in FY23 to INR 0.71 crores in FY24.
-  Harley's plans to increase its focus on digital sales and may expand QSR outlets and cloud kitchens in Hyderabad to drive growth.

FY25


1 Sales Performance in H1 FY25:

-  Harley's reported a top-line of INR 21.82 crores in H1 FY25.
-  Hyderabad accounted for 72% of sales, while Bangalore contributed 28% (INR 6.11 crores).

2 Mumbai Market Entry:

-  Harley's entered the Mumbai market in November 2024 with one Ivory Lounge and one cloud kitchen, strategically aligning the launch with the Christmas season to capitalize on higher sales.

3 Revenue Target:

-  The company is on track to meet its annual revenue target of INR 50 crores, with new city expansions and clusters being the primary growth drivers.

Financial Analysis

4 APSS Performance:



Bangalore's APSS: Recorded at INR 2.78 crores in FY24, expected to exceed INR 4 crores in FY25.



With plans to open two additional Ivory Lounges in Bangalore, APSS may marginally decline due to expansion but will still remain strong.

5 Christmas to New Year Sales (FY25):



Harley's recorded sales of INR 1.52 crores during the festive season.



Sales distribution: 65% in Hyderabad, 32% in Bangalore, and 3% in the newly launched Mumbai market.

6 Q3 FY25 Performance:



The company achieved INR 16 crores in revenue during Q3 FY25.



With ongoing expansion through cloud kitchens and QSR outlets, Harley's remains confident of achieving its INR 50 crores annual revenue target.

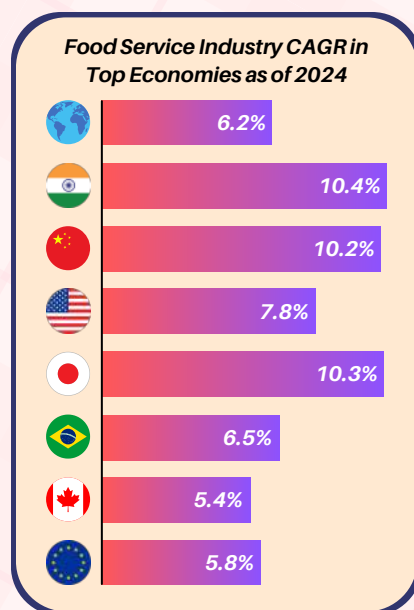
Industry Analysis

Food Service Industry

The global food service industry is in a state of continuous evolution, driven by technological advancements and shifting consumer preferences, especially among the younger generations. This market encompasses both digital and physical food services, with the rise of food delivery platforms and quick commerce providing a substantial boost to industry growth.

Both developed and developing economies are experiencing a faster expansion in the food service sector compared to the previous decade. A key driver of this expansion is the globalization of culinary traditions – regional cuisines are no longer confined to their places of origin but are rapidly gaining traction across borders.

Independent studies, combining multiple research sources, estimate that the global food service market was valued at approximately USD 3.53 trillion in 2024, growing at a CAGR of 6.2%. If this trajectory continues, the market is expected to surpass USD 5 trillion by 2030,



India Global

The Indian food service industry plays a crucial role in the country's economy. In 2024, it is estimated to be valued at USD 85 billion, contributing a little over 2% of India's GDP. However, what sets it apart is its rapid expansion—growing at a CAGR of over 10.4%, making it one of the fastest-growing food service markets globally. Industry projections suggest that by 2030, it will exceed USD 140 billion.

Despite the significant growth, the opportunities and challenges in the Indian market are unique. India's diverse cultural landscape leads to varying food preferences across regions. However, with increasing urban migration and the growing influence of social media, demand for thematic and global cuisines has become more uniform across cities. This has encouraged Quick Service Restaurant (QSR) chains and established brands to expand beyond metropolitan hubs into Tier 2 and Tier 3 cities.

Industry Analysis

The industry has undergone a major transformation over the last decade, with food delivery services becoming a key growth driver. Studies indicate a structural shift from an unorganized to an organized market. In 2000, organized food service accounted for less than 20% of the industry, whereas by 2024, estimates suggest this share has surged to approximately 50%, reflecting a shift towards structured and scalable food service models.

A crucial factor supporting this growth is India's young population. The country has the world's largest population under the age of 40, including the highest number of Gen Z consumers globally. This demographic advantage, combined with rising disposable incomes and evolving lifestyle preferences, continues to shape the future of India's food service industry.

Harley's Market Positioning

The Food Service industry is the second-largest employer in India, providing employment to over 8.5 million people annually. The industry operates at a massive scale, spanning across various parameters such as affordability, cuisine diversity, and service efficiency. Given its vast scope, brands in India typically identify gaps within the market and carve out niches to establish themselves successfully.

To determine Harley's exact market segment, this section follows a classification approach to the Food Service industry. Several Indian industry forums dedicated to the food service sector categorize businesses based on distinct criteria, which can be illustrated in an infographic.

Narrowing down the classification, this section specifically focuses on the Café market. Within this segment, a more refined niche emerges—Artisanal Bakery and Café. Harley's, with its tagline "Artisan Cakes & Exotic Coffee," as stated by the management, firmly positions itself under the Bakery-Café segment. This strategic placement allows Harley's to leverage the best of both the bakery and café segments, catering to an audience that values premium, handcrafted bakery products and high-quality coffee experiences.

Classification of the Food Service Industry in India

Full Service Restaurants



Limited Service Restaurants



Cafés & Coffee Shop



Bars, Pubs & Clubs



Stalls & Vendors



Catering & Canteens



Industry Analysis

Market Segmentation - Bakeries & Cafés in India

The study on the bakery and café segment in India has been conducted across major metropolitan cities, including Mumbai, Delhi, Hyderabad, and Bangalore. These cities serve as the primary hubs for international visitors and foreign delegations, making them highly influential in shaping industry trends. Moreover, they have the highest propensity to spend, attracting both domestic and international brands seeking market entry.

To better understand the structure of this segment, the study classifies outlets into two categories: “Standalone Outlets” and “Branded Chains”. Standalone outlets refer to businesses operating with a single location.



Standalone Outlets



Branded Chains

These outlets often thrive when they possess vintage appeal, offer unique food experiences, or maintain exclusivity. In contrast, other standalone cafés survive by catering to low-density areas, offering a conventional café experience with lower business turnover.

Branded Chains, on the other hand, comprise well-established domestic and international brands with multiple outlets across one or more metro cities. These brands operate with standardized business models, often leveraging supply chain efficiencies, brand recognition, and scalable operations.

This classification provides a structured understanding of the commercial landscape, offering deeper insights into the operational feasibility of food service businesses. While both Standalone Outlets and Branded Chains have their respective advantages and challenges, this report focuses primarily on their commercial viability and scalability within the Indian market.

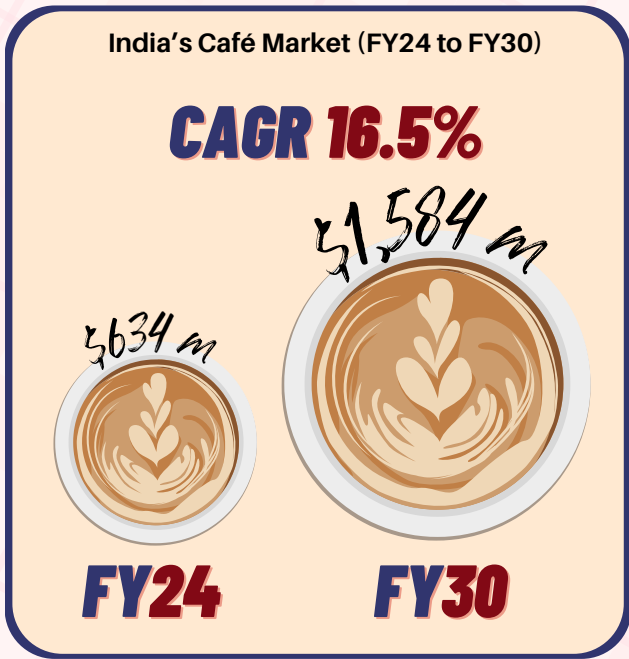
The Café Industry & Branded Café Chains in India

The Indian café market has witnessed remarkable growth over the years, driven by changing consumer preferences, urbanization, and increasing disposable income. Based on multiple research studies, the Indian Café Market Size is estimated to be valued at USD 634 million at the end of FY24. The sector is projected to expand at a CAGR of over 16.5%, reaching USD 1,584 million by 2030. However, while the market is expanding, the Same Store Sales Growth (SSSG) for Branded Café Chains remains relatively modest, ranging between 8% to 10%.

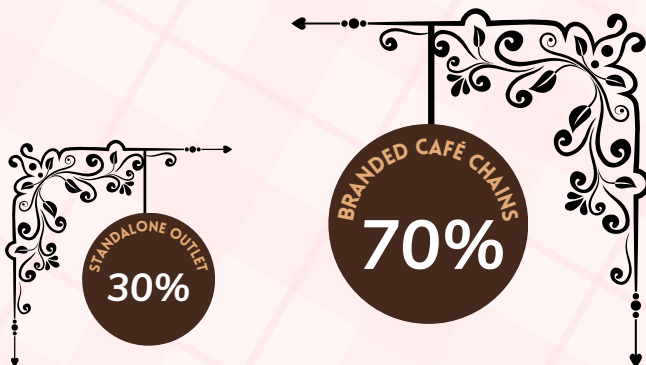
Industry Analysis

Branded Café Chains have grown significantly faster than Standalone Café Outlets, particularly in metropolitan cities like Mumbai, Delhi, Bangalore, and Hyderabad. Within these metros, Branded Café Chains account for approximately 70% of all café outlets, while Standalone Café Outlets make up the remaining 30%. These chains enjoy a stronger brand recall and customer loyalty compared to their standalone counterparts.

Key players in the moderate-to-premium segment of Branded Café Chains include Starbucks, Third-Wave Coffee, and Blue Tokai, among others. Their success is driven not just by the quality of coffee but also by the overall café experience—which includes ambiance, seating comfort, Wi-Fi availability, music, staff service, and hygiene. Both domestic and international brands have invested heavily in expansion, leading to a highly competitive pricing landscape.



Despite a well-established presence in metro cities, Branded Café Chains continue to expand aggressively into Tier-1 and Tier-2 cities, capitalizing on the rising demand for premium coffee experiences. This ongoing expansion, coupled with the growing café culture in India, ensures that Branded Café Chains will remain a dominant force in the country's food service industry.



Drastic Shift in the preferences of the young population towards premium food and quality services has expanded the Café market in India

Industry Analysis

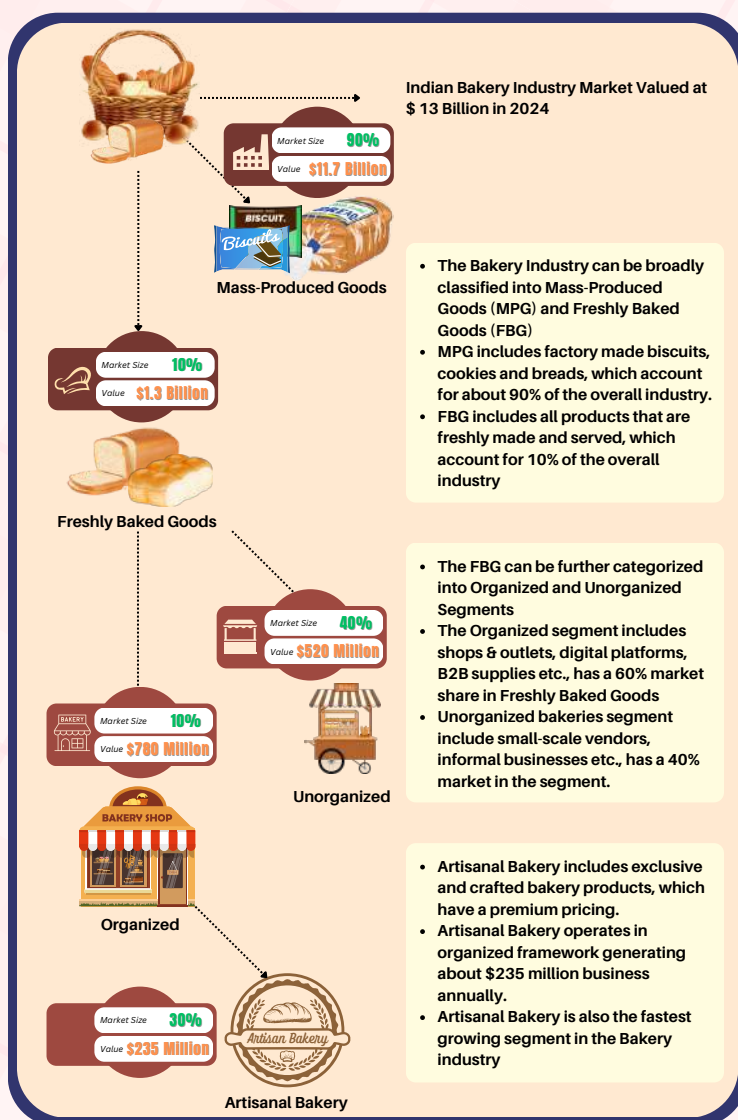
The Bakery Industry & Branded Bakery chains in India

The Indian bakery industry remains largely unorganized, with a significant portion dominated by mass-produced bakery products. Over the decades, the sector has become increasingly industrialized, encompassing a wide range of FMCG bakery goods such as bread, biscuits, cookies, and rusks. Research suggests that the Indian bakery market was valued at over USD 13 billion in 2024, growing at a CAGR of approximately 8.8%.

However, this report focuses specifically on retail outlets providing freshly baked goods, including pastries, bagels, croissants, and other premium bakery products. The Freshly Baked Goods segment is estimated to constitute 10% of the total bakery industry, valued at roughly USD 1,300 million in 2024. Within this, organized players account for 60% of the market, approximately USD 780 million, while the remaining 40% is dominated by unorganized outlets.

A key segment within Freshly Baked Goods is Artisanal Bakery, which primarily caters to premium, handcrafted Western-style bakery products. Artisanal Bakery holds around 30% share of the organized Freshly Baked Goods market, making it a USD 235 million segment as of 2024. This premium category has gained traction due to increasing consumer interest in high-quality, freshly made bakery items, particularly among Millennials and Gen Z consumers.

According to an article by Entrepreneur India, the demand for premium bakery products has surged significantly in the past three years. The rise of Western bakery culture in India, beginning in the early 2000s, played a pivotal role in establishing Artisanal Bakery as a thriving segment. The preference for quality ingredients, international flavors, and an elevated café experience has further fueled the growth of premium bakery brands in metropolitan cities.



Industry Analysis

Bakery-Café Chains in India

Bakery-Café is a niche segment within the food service industry, originally inspired by European culinary traditions. In India, consumers—particularly the youth—are drawn to this format for its blend of exclusivity, premium offerings, and aspirational appeal. A typical bakery-café setup provides both coffee and freshly baked items, such as cakes, breads, and gourmet delicacies, making it attractive to individuals who value quality and have the means to pay for it.

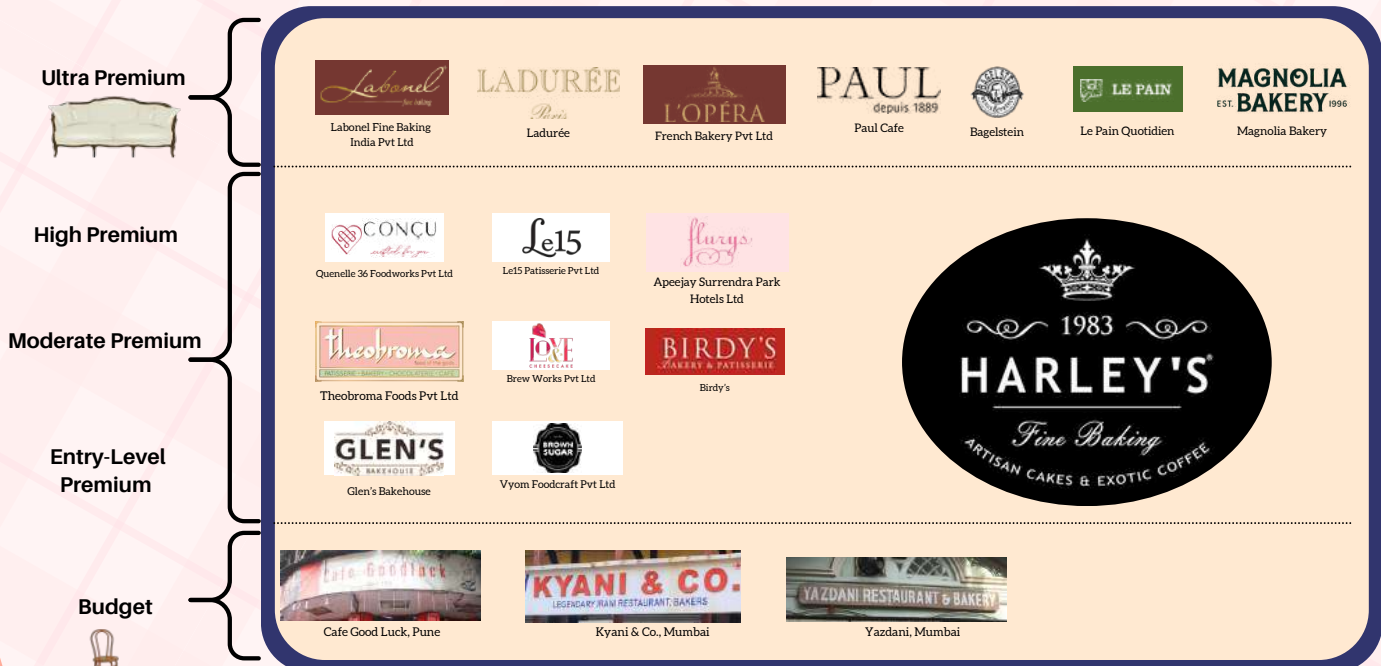
Over the past decade, the bakery-café niche has seen a strong response in metropolitan areas, primarily driven by Standalone Outlets. While foreign brands have begun entering this space, they tend to position themselves at the ultra-premium end, limiting their reach to high-income neighborhoods. According to an analysis of brands in Mumbai,



Following parameters have been considered while mapping the Bakery-Café segment

- ₹ **PRICING**
- ✓ **QUALITY OF SERVICE**
- 👤 **INCOME GROUP**
- 👥 **CUSTOMER RETENTION**
- 🏢 **SCALABILITY**

Bakery-Cafe Segment Distribution by Pricing and Standard of Quality, creating a wide market gap



Industry Analysis

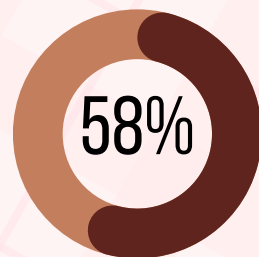
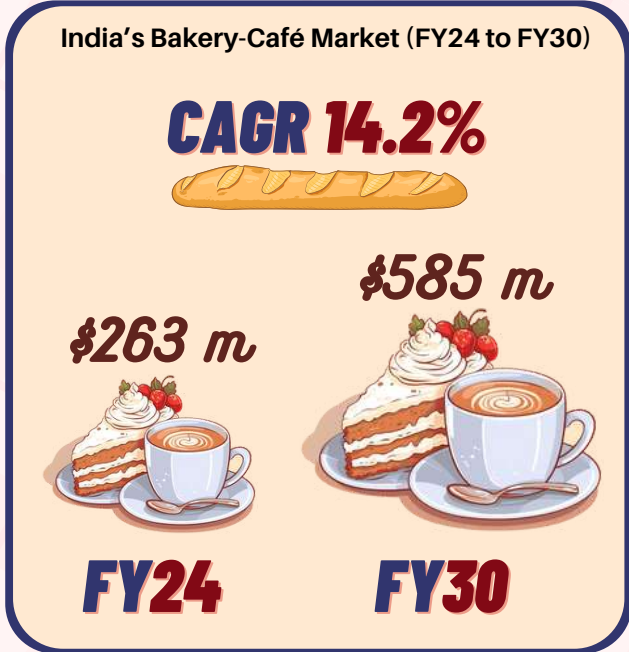


ELP - Entry Level Premium, HLP - High Level Premium

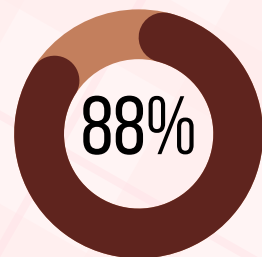
Delhi, Hyderabad, and Bangalore, bakery-café can be broadly categorized into Branded Chains (domestic and foreign) and Standalone Outlets. As of FY24, the market size for this segment is valued at around USD 263 million (INR 2,195 crores), with a robust CAGR of 14.22%. It is projected to surpass USD 300 million by the end of the FY25 and could reach USD 585 million by 2030.

Within the bakery-café market, Branded Chains command around 58% of the market by value, while Standalone Outlets account for 42%. International players represent only 12% of the overall segment, leaving 88% to domestic brands. Historically, international chains operated in the ultra-premium category, whereas Standalone Outlets ranged from budget-friendly to entry-level premium, often featuring older, legacy establishments.

This created a gap that mid-premium brands, such as Theobroma, have capitalized on—today, Theobroma holds approximately 20.4% of the entire bakery-café market. Meanwhile, Harley’s, though a relatively new entrant, has exhibited the fastest growth rate among peers, securing a 1.3% share as of FY24.



Market Share of Branded Chains



Market Share of Domestic Brands

Market Share by Value of Bakery-Café Segment

Industry Analysis

Market Share Analysis of the Bakery-Café Segment

as of March 2024

₹922
Crores

Market Size of
Standalone Outlets

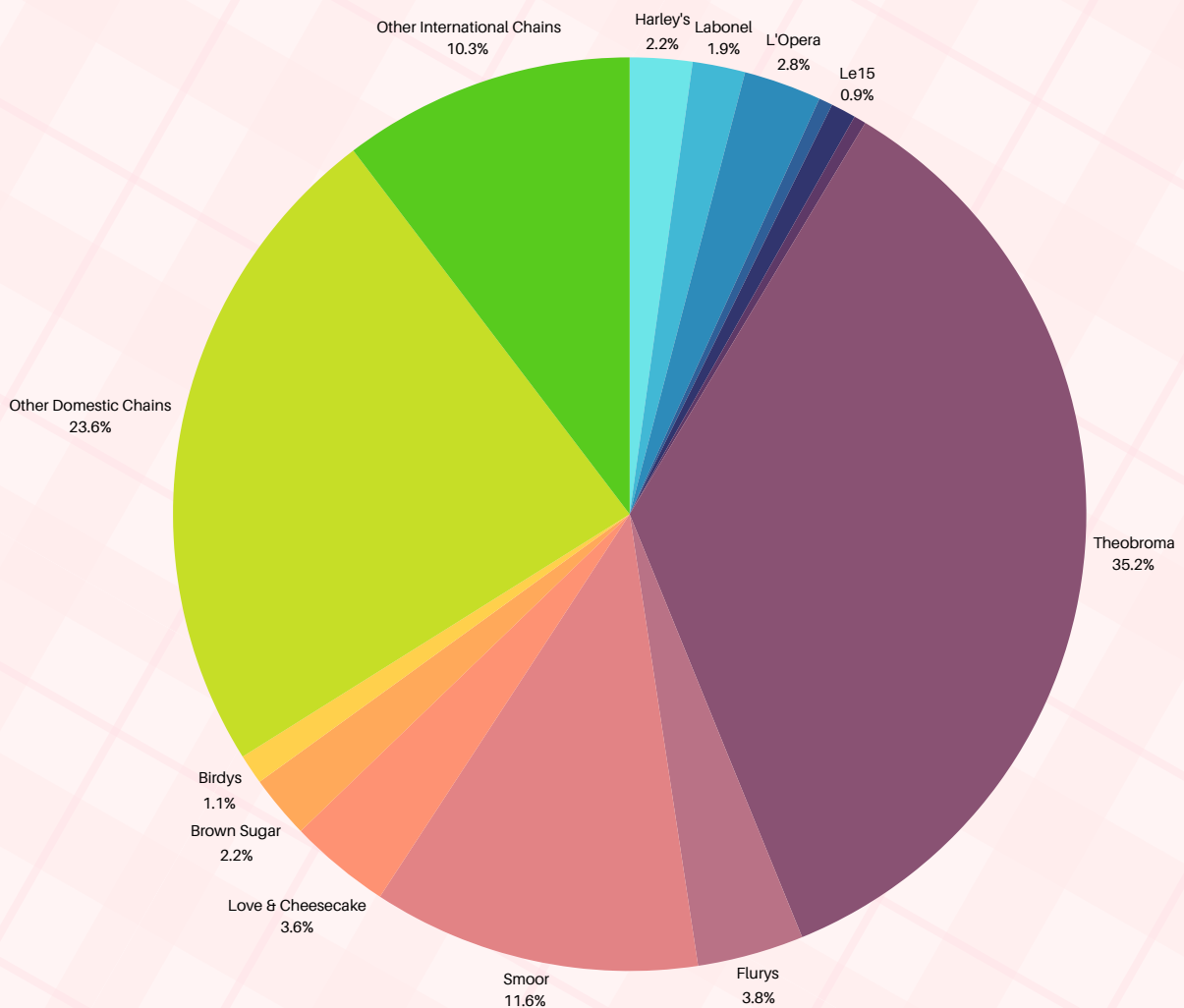
₹1,274
Crores

Market Size of
Branded Chains

₹263
Crores

Market Size of
International Brands

Market Share by Value of Branded Chains in Bakery-Café Segment



Note: Analysis has been conducted over the financials of several brands operating in the Bakery-Cafe segment. Market Share has been diligently and meticulously calculated and estimated after systematic and deep analysis of these brands and the overall function of the segment

Consumer Study

Understanding the Next-Gen F&B Consumer

Gen Z: The Driving Force Behind Consumer Spending

Several consumer studies highlight that Generation Z (Gen Z) is set to shape the future of global consumption. With the rise of social media, globalization, and increasing disposable incomes, this generation is expected to drive the highest-ever consumer spending in history.

A *Boston Consulting Group* (BCG) study on India's Gen Z provides key insights into their influence on the market:

Demographic Strength:

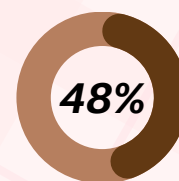
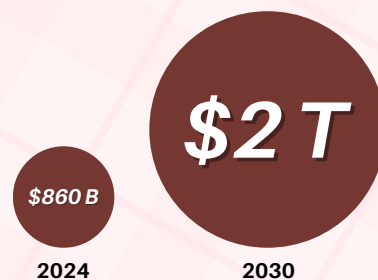
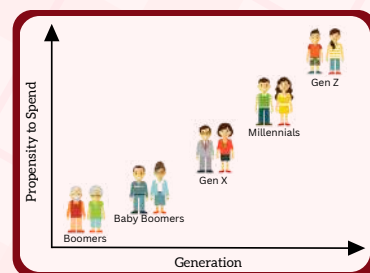
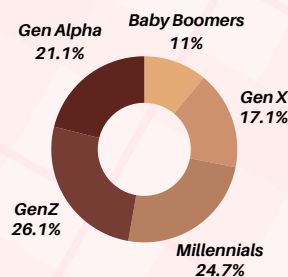
- India's Gen Z population stands at 377 million (26.1% of the overall population), surpassing the 356 million Millennials and 304 million Gen Alpha.
- As the largest generation to date, Gen Z is reshaping the consumer landscape at an unprecedented scale.

Spending Power:

- Gen Z contributes to about 46% of total consumer spending, amounting to a staggering \$860 billion.
- By 2035, their spending is projected to reach \$2 trillion, meaning that every second rupee spent in India will come from a Gen Zer's wallet.

F&B Industry Influence:

- Gen Z accounts for 48% of the consumer spend in the "Eating Out/Ordering In" category.
- The total consumer spend on dining in India is estimated at \$70-75 billion in 2024, with Gen Z being the dominant segment.
- This generation actively seeks global cuisines, fueling demand for premium confectioneries, artisanal bakeries, and experiential dining



Gen Z is estimated to have spent over \$32 - 35 Billion on Food Services in 2024

Industry Analysis

Changing Consumer Preferences: The Rise of Food Delivery & Dining Out

A joint study by *Bain & Company* and *Swiggy* in 2024 on India's food service market provides additional insights into evolving consumption patterns:

Market Size & Growth:

- The Indian food delivery market was valued at over \$22 billion in 2024.
- India lags behind countries like Brazil and China, which have 7000-9000 restaurants per million population, compared to just 1000-2000 in India.
- The average monthly non-home-cooked food consumption is 5 times per month in India, significantly lower than 33 times in China, 14 in South Korea, and 11 in Vietnam.

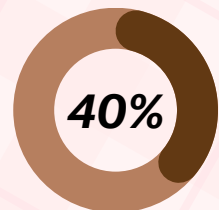


Indian Food Delivery marketed estimated at \$22 Billion in 2024



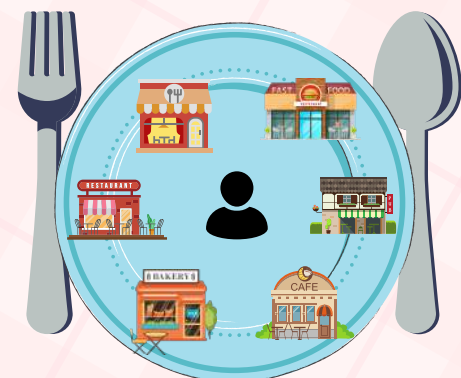
Gen Z's Eating Habits:

- Although Gen Z and younger cohorts make up 40% of consumption, they have a higher-than-average propensity to eat out—a trend expected to accelerate as their purchasing power increases.



Diverse dining preferences:

- On average, a customer orders from over six different restaurants and more than three different cuisines annually on online platforms, highlighting the demand for variety and experimentation.



The Role of Food Delivery in Industry Growth:

- The rise of food delivery platforms and quick commerce is reshaping the F&B sector, making it more accessible, diverse, and convenient.
- The shift in consumer lifestyles, increasing urbanization, and time constraints are driving the reliance on food services, fueling sustained growth in the industry.

Industry Analysis

Harley's: Catering to the Evolving Consumer

With these industry dynamics in play, Harley's is strategically positioned to cater to the evolving preferences of Gen Z and Millennials:

■ *Bringing Global Tastes to Indian Consumers:*

- Harley's confectionery and bakery offerings align with the growing demand for premium Western-style desserts and café culture.
- The brand's focus on aesthetic, experience-driven dining spaces (Ivory Lounges) taps into Gen Z's preference for Instagram, social spaces.

■ *Leveraging Food Delivery & Digital Sales:*

- With food delivery booming, Harley's digital-first strategy ensures that its products reach customers beyond its physical outlets.
- By integrating cloud kitchens and QSR expansion, Harley's can capitalize on the growing online food delivery ecosystem.

■ *Positioning as a Niche & Premium Brand:*

- Unlike mass-market QSR chains, Harley's occupies a differentiated space, offering higher quality products and premium experiences that appeal to India's evolving consumer class.

Key Takeaways & Strategic Implications

- *Gen Z is India's dominant consumer force, controlling nearly half of total spending—making them the key audience for Harley's.*
- *The food service industry is shifting towards convenience, variety, and premium offerings, creating opportunities for brands that cater to evolving dining habits.*
- *Food delivery and digital-first strategies are no longer optional—they are imperative for market relevance and growth.*
- *The demand for branded, premium bakery and confectionery experiences is rising, positioning Harley's favorably within the industry landscape.*

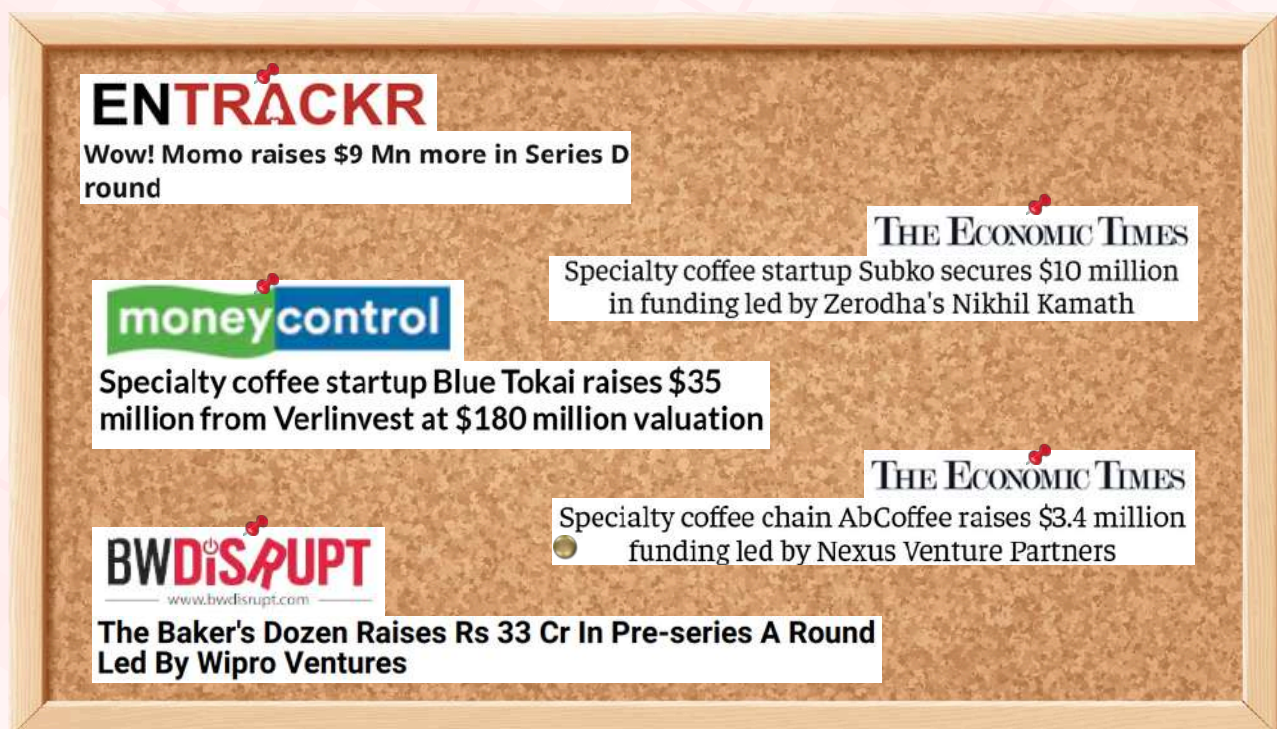
Industry Analysis

Funding in F&B

In 2024, India's startup ecosystem demonstrated remarkable resilience, with total investments reaching \$15.9 billion across 1,533 deals, a slight decrease from \$16.5 billion in 2023. This decline was primarily due to a 25% reduction in early-stage funding, which totaled \$3 billion, down from \$4 billion the previous year. Conversely, growth and late-stage funding experienced a 4.8% increase, amounting to \$13 billion in 2024, up from \$12.4 billion in 2023.

The Food and Beverage (F&B) sector emerged as a significant contributor to this investment landscape. According to Tracxn, the Food Service Chains sector in India attracted over \$2.25 billion in funding over the past decade, with a peak of more than \$1.13 billion in 2019.

Within the F&B domain, the Food Service segment, encompassing companies with both digital and physical presences, garnered substantial interest. Data from Tracxn suggests that the Food Service Industry in India received an investment of about \$168 million in 2024. A large amount of capital is invested by Indian VCs and Angel investors.



SWOT Analysis

Strengths

- Cluster Business Model optimizes costs across multiple outlets, enhancing profitability.
- Offers both coffee and confectionaries, creating strong brand recall and repeat customers.
- Unique dual focus on coffee and cakes provides a competitive edge over peers.
- Strong presence in metros and high-income neighborhoods, ensuring a premium consumer base.
- Premium store ambiance and experience differentiate Harley's from traditional QSR and bakery brands.
- Well-integrated digital presence and delivery partnerships enhance accessibility.

Weaknesses

- Premium outlets increase operational costs, affecting margins.
- Lack of healthy product offerings in a growing health-conscious market.
- Limited geographical presence restricts scalability in Tier 2 and Tier 3 cities.
- Dependence on discretionary spending makes the business vulnerable to economic downturns.

Opportunities

- Shift from traditional sweets to western confectionaries, especially in gifting.
- Premium café culture expanding in high-income markets.
- Increasing digital adoption and food delivery services create new revenue streams.
- Growth in artisanal and gourmet bakery trends, aligning with Harley's premium positioning.
- Rising urbanization and higher disposable incomes fueling the demand for premium dining experiences.
- Expansion into corporate catering and event-based services can drive incremental revenue.

Threats

- Rapidly evolving consumer trends among Millennials and Gen Z.
- Growth spurts mainly occur during territorial expansion but taper off afterward.
- Low defensibility in a competitive market.
- Intensifying competition from international café chains and local premium bakeries.
- Rising operational costs, including rent and wages, could pressure profitability.

Peer Analysis

Harley's operates in a unique niche segment positioned as Bakery-Café, focusing on premium cakes and confectioneries. This positioning allows the brand to target a specific demographic seeking artisanal desserts and a premium café experience. Several competitors operate within this segment in India, offering similar products and targeting comparable customer bases.

The selected peer companies share commonalities with Harley's in their operations. They manage a combination of physical stores and a digital presence, ensuring accessibility and reach to their customer base. A substantial portion of their offerings revolves around cakes and confectioneries, aligning closely with Harley's core product line.

Selection Criteria for Peers: For the purpose of this report, peer companies were selected based on their:



Product Offerings: A focus on bakery items, particularly cakes and confectioneries.



Business Model: Similar operational strategies and approaches.



Market Approach: A blend of physical stores and a digital presence.

The peer analysis of Harley's reveals that the company has only a few direct competitor due to significant differences in product segments, business models, and pricing strategies. While several local and global chains operate in this segment, foreign entities have been excluded from the comparison as Harley's is a home-grown brand.

A substantial portion, about 36%, of the bakery-café market in India comprises standalone outlets, many of which do not actively sell through digital platforms. Even among branded chains, most operate within specific regions, such as a single city, district, or state. There are only a handful of branded players with a presence across multiple cities.

For this analysis, several companies were excluded due to a lack of available financials for FY24 or because they function as proprietorships or partnership firms rather than registered corporate entities. To maintain relevance, only local chains that closely align with Harley's in terms of product offerings and pricing have been considered.

Note: Few companies from the Competitive Landscape have been chosen for analysis

Peer Analysis

Competitive Landscape

Home-grown brands operating in the bakery-café segments, having multiple outlets, premium pricing and western cuisine



Theobroma Foods Pvt Ltd



Labonel Fine Baking
India Pvt Ltd



French Bakery Pvt Ltd



Apeejay Surrendra Park
Hotels Ltd



Quenelle 36 Foodworks Pvt Ltd



Le15 Patisserie Pvt Ltd



Brew Works Pvt Ltd

Home-grown startups offering cakes through digital platforms



Bake Wish Pvt Ltd



PBS Gourmet Foods Pvt Ltd



Cremetech Tailored Foods
Pvt Ltd



RYM Ventures Pvt Ltd

Home-grown startups offering bakery products through physical and digital stores



Navya Bakes &
Confectionaries Pvt Ltd



KS Bakers Pvt Ltd



Merwans Confectioners
Pvt Ltd



Bindu Recipes Pvt Ltd



Glen's Bakehouse



Vyom Foodcraft Pvt Ltd



Advanced Baking Concepts
Pvt Ltd



Bakemax Foods Pvt Ltd



Multigrain Food Pvt Ltd

International brands that have entered Indian markets. These brands operate in similar product segments (bakery, cafe & confectionaries), and a premium experience



Ladurée



Bagelstein



Krispy Kreme



Paul Cafe



Magnolia Bakery



Le Pain Quotidien

Peer Analysis

Peer Group

Peer Group for Comparative Analysis:

1 **Theobroma Foods Pvt Ltd**



2 **Labonel Fine Baking India Pvt Ltd**



3 **French Bakery Pvt Ltd**



4 **PBS Gourmet Foods Pvt Ltd**



5 **Quenelle 36 Foodworks Pvt Ltd**



6 **Bake Wish Pvt Ltd**



Theobroma Foodworks Pvt Ltd



Theobroma is a popular bakery chain in India specializing in snacks and confectionery, offering a wide range of cakes, pastries, cookies, brownies, desserts, chocolates, bread, and other bakery products. With a presence across multiple cities, Theobroma operates through both offline and online channels, allowing customers to order through restaurant aggregators and enjoy international and domestic shipping options. The company has raised over \$13 million till 2024, with ICICI Ventures leading the round

Labonel Fine Baking Pvt Ltd



Labonel is a popular and old baking brand that originated in Hyderabad. Known for its delicious cakes, pastries, and other baked goods, Labonel has gained a strong reputation for its unique flavors and innovative dessert creations. The company has expanded its presence beyond Hyderabad, with outlets now operating in Vijayawada and Bangalore. Labonel has experienced substantial growth and has garnered a loyal customer base due to its commitment to quality and taste.

Peer Analysis

French Bakery Pvt Ltd



L'Opera is an ultra-high premium chain of French bakeries and cafés, founded in Delhi in 2008. Renowned for its authentic French pastries, breads, and savories, the brand is celebrated for its commitment to quality and tradition. L'Opera utilizes high-quality ingredients and time-honored techniques to create delectable treats. The brand offers a sophisticated and inviting ambiance, making it a popular destination for enjoying a leisurely meal or indulging in a sweet treat.

PBS Gourmet Foods Pvt Ltd



La Folie is a renowned patisserie in Mumbai, celebrated for its exquisite chocolates and a range of delectable pastries and cakes. They are particularly known for their bean-to-bar chocolate, showcasing their dedication to crafting high-quality chocolate from ethically sourced cocoa beans. La Folie offers a unique and sophisticated experience for chocolate and dessert lovers.

Quenelle 36 Foodworks Pvt Ltd



Concu is a new bakery chain in Hyderabad, known for its stylish cafés and a wide selection of customized celebration cakes, pastries, and other baked goods. They also offer a variety of appetizers and salads, catering to a diverse range of tastes. Concu has established itself as a premium destination for café and bakery enthusiasts, offering an array of delectable products that cater to diverse tastes.

Bake Wish Pvt Ltd



Bakingo is a D2C bakery startup in India known for its wide range of cakes, pastries, and desserts available for delivery across multiple cities. They cater to various occasions, offering customized cakes, personalized messages, and unique designs. Bakingo has gained popularity for its convenient online ordering process and timely delivery services. The company raised \$16 million from *Faering Capital* in 2023.

Peer Analysis

Peer Financials

Balance Sheet Trends for FY24


All figures in INR crores

							
	Theobroma	Labonel	L'Opera	LaFolie	Conçu	Bakingo	Harley's
Equity & Liabilities							
<u>Equity</u>							
Share Capital	0.02	0.50	7.87	3.34	0.07	0.01	4.00
Reserves & Surplus	109.83	4.85	-31.26	-12.69	6.17	-3.12	3.22
Other Equity	-	-	-	-	-	-	-
Total Equity	109.85	5.35	-23.39	-9.35	6.25	-3.11	7.22
<u>Liabilities</u>							
Non-Current Liabilities							
Long-Term Borrowings	35.98	3.05	0.13	13.34	-	-	1.01
Net Deferred Tax Liabilities	-	-	-	0.04	-	-	0.01
Other Long Term Liabilities	12.34	-	0.05	-	-	0.19	-
Long Term Provisions	2.07	-	0.85	-	-	1.27	-
Total Non-Current Liabilities	50.38	3.05	1.03	13.38	-	1.46	1.01
Current Liabilities							
Short Term Borrowings	19.52	0.44	40.42	0.63	-	0.87	2.20
Trade Payables	37.55	0.59	6.95	0.70	0.48	20.34	1.68
Other Current Liabilities	16.71	1.30	2.34	0.16	0.35	4.71	1.29
Short Term Provisions	6.84	0.47	0.49	-	0.04	0.29	1.49
Total Current Liabilities	80.61	2.79	50.20	1.49	0.87	26.22	6.66
Total Liabilities	131.00	5.84	51.23	14.87	0.87	27.68	7.68
Total Equity & Liabilities	240.85	11.19	27.84	5.52	7.12	24.56	14.90
<u>Assets</u>							
Fixed Assets							
Intangible Assets	137.44	5.72	10.82	2.79	1.41	8.58	7.06
Tangible Assets	1.82	-	0.29	-	0.01	-	-
Total Net Fixed Assets	139.26	5.72	11.11	2.79	1.42	8.58	7.06
Capital Work-in-Progress	14.70	-	0.11	-	-	-	-
Non-Current Assets							
Non-Current Investments	-	-	-	-	0.49	-	0.03
Net Deferred Tax Assets	12.15	0.56	7.86	-	0.15	-	-
Long Term Loans & Advances	28.61	-	0.15	0.32	-	0.19	-
Other Non-Current Assets	0.10	-	2.90	-	0.27	1.94	-
Total Non-Current Assets	40.86	0.56	10.91	0.32	0.90	2.13	0.03
Current Assets							
Current Investments	-	-	-	-	-	-	-
Inventories	13.47	2.23	2.36	0.92	0.09	5.57	1.82
Trade Receivables	7.89	-	1.30	1.05	0.38	4.70	0.45
Cash & Bank Balances	5.76	0.23	1.00	0.07	2.26	0.59	2.33
Short Term Loans & Advances	18.11	1.79	0.82	-	1.83	0.75	2.86
Other Current Assets	0.81	0.66	0.22	0.37	0.25	2.24	0.36
Total Current Assets	46.04	4.91	5.70	2.40	4.80	13.86	7.82
Total Assets	240.85	11.19	27.84	5.52	7.12	24.56	14.90








Peer Analysis

All figures in INR crores

P&L Trends for FY24



							
	Theobroma	Labonel	L'Opera	LaFolie	Conçu	Bakingo	Harley's
Net Revenue	448.30	23.71	35.06	5.50	6.22	159.51	28.12
Operating Cost							
Cost of Materials Consumed	151.18	6.29	11.82	2.82	-0.02	71.74	10.19
Purchase of Stock-in-trade	-	-	0.21	-	3.25	-	-
Changes in Inventories/Finished	-0.75	-	0.05	-	2.85	-0.42	-
Employee Benefits Expense	70.82	5.36	11.43	1.22	12.31	21.11	3.76
Other Expenses	174.89	8.82	18.09	3.07	0.43	67.78	8.74
Total Operating Cost	396.14	20.46	41.60	7.11	0.53	160.21	22.69
Operating Profit (EBITDA)	52.16	3.25	-6.54	-1.61	0.23	-0.70	5.44
Other Income	3.32	-	0.31	0.01	0.74	0.06	-
Depreciation & Amortization	27.96	0.66	2.11	0.48	-	2.46	1.17
Earnings Before Interest & Tax (EBIT)	27.52	2.59	-8.34	-2.07	0.74	-3.11	4.27
Finance Costs	3.52	0.36	3.44	0.07	-	0.03	0.19
Earnings Before Tax & Exceptional Items	24.01	2.23	-11.78	-2.14	0.74	-3.14	4.08
Exceptional Items	-	-	-	-	0.08	-	-
Profit Before Tax	24.01	2.23	-11.78	-2.14	0.66	-3.14	4.08
Income Tax	-3.75	0.57	-2.52	-0.02	-	0.59	0.70
Profit for the Period	27.76	1.67	-9.26	-2.12	0.66	-3.73	3.38

Financial Ratios




							
	Theobroma	Labonel	L'Opera	LaFolie	Conçu	Bakingo	Harley's
Performance Ratios							
Revenue Growth (%)	27.48%	16.46%	50.37%	-11.14%	11.81%	68.53%	100.74%
EBITDA Growth (%)	3.96%	17.91%	-42.32%	-501.10%	10.36%	-389.26%	280.69%
Profit Growth (%)	41.68%	115.23%	52.69%	-229.32%	11.81%	-421.95%	205.17%
Return Ratios							
Return on Equity (RoE)	21.85%	41.71%	14.76%	22.90%	-5.93%	100.80%	56.49%
Return on Assets (RoA)	9.97%	19.95%	-113.38%	-38.81%	-69.25%	-12.78%	27.39%
Return on Capital Employed (RoCE)	14.98%	26.57%	-107.53%	-53.21%	-34.59%	190.01%	49.54%
Profitability Ratios							
EBITDA Margin	11.63%	13.71%	-18.66%	-29.22%	3.40%	-0.44%	19.33%
EBIT Margin	6.14%	10.92%	-23.80%	-37.71%	5.79%	-1.95%	15.18%
EBT Margin	5.36%	9.41%	-33.61%	-38.92%	5.79%	-1.97%	14.51%
Net Profit Margin (NPM)	6.19%	7.02%	-26.42%	-38.56%	5.20%	-2.34%	12.02%
Liquidity Ratios							
Current Ratio	0.6	1.8	0.1	1.6	5.5	0.5	1.2
Quick Ratio	0.4	1.0	0.1	1.0	5.4	0.3	1.1
Cash Ratio	0.1	0.1	0.0	0.0	2.6	0.0	0.3
Debt-to-Equity	0.8	0.9	-	-	0.1	-	0.6
Inventory Ratios							
Days Sales Outstanding (DSO)	6	0	13	70	11	11	6
Days Payables Outstanding (DPO)	35	10	61	36	14	46	27
Inventory Days (DIO)	12	37	20	45	2	10	32
Working Capital Cycle	-16	26	-	79	-1	-25	11
Other Ratios							
Asset Turnover	2.24	2.25	1.40	0.98	1.80	8.34	2.87
Raw Material Margin	33.72%	26.51%	33.73%	51.21%	48.84%	44.98%	36.22%
Employee Cost to Sales	15.80%	22.61%	32.62%	22.22%	25.50%	13.24%	13.37%

Comparative Analysis



1 Profitability:

-  Theobromas, Labonel, and Harley's are the only profitable ventures in this analysis.
-  L'opera, La Folie and Bakingo reported losses in FY24, indicating room for operational improvement.


2 Company Age:

-  Theobromas & L'Opera are the oldest brands in this comparison, established in 2004 & 2008 respectively, with about two decades of experience in the market.
-  Other companies are relatively younger, with ages ranging between 7 to 10 years.
-  Harley's is the youngest, founded in 2019, demonstrating impressive growth within a short span.


3 Revenue Performance:

-  Theobromas leads with the highest revenue of INR 448 crores, followed by Bakingo at INR 159 crores.
-  Harley's, despite being the youngest, recorded a respectable revenue of INR 28 crores.



4 Return Ratios:

-  Harley's outperformed its peers, delivering the best Return Ratios among all companies.

5 Revenue Growth:




-  Harley's demonstrated the highest revenue growth rate of 100%, showcasing strong expansion and market penetration.

6 EBITDA Margins:




-  Harley's achieved the highest EBITDA Margin of 19.33%, surpassing Theobromas (11.63%) and Labonel (13.71%).
-  L'Opera, La Folie and Bakingo posted negative EBITDA margins in FY24, highlighting operational inefficiencies.

Peer Analysis




7 Net Profit Margins (NPM):

-  Theobromas recorded a PAT of INR 28 crores with an NPM of 6.19%.
-  Labonel posted INR 1.7 crores PAT on INR 24 crores revenue, achieving an NPM of 7.02%.
-  Harley's achieved the highest NPM of 12.02%, with a PAT of INR 3.4 crores on INR 28 crores revenue.




8 Liquidity Ratios:

-  Labonel maintains the strongest Current Ratio of 1.8, indicating solid liquidity.
-  Harley's follows with a Current Ratio of 1.2, signifying decent liquidity management.
-  Theobromas has a lower Current Ratio of 0.6, suggesting a more leveraged position.

9 Debt-to-Equity Ratios (D/E):

-  Harley's leads with the lowest D/E ratio at 0.6, indicating minimal reliance on debt.
-  Theobromas and Labonel recorded D/E ratios of 0.8 and 0.9, respectively.
-  L'Opera, La Folie and Bakingo have negative equity, so their D/E ratios were not considered.

10 Raw Material Margins (RMM):

-  Harley's maintains an RMM of 36.22%, striking a balance between cost efficiency and profitability.
-  Theobromas' & L'Opera's have nearly the same RMM of 33.7%, while Labonel has the lowest at 22.61%.
-  La Folie and Bakingo recorded significantly higher RMMs at 51.21% and 44.98%, suggesting a different cost structure and operational focus.

Projections & Valuation

Financial Projections

Harley's has provided Audited Financials for H1 FY25 (April 2024 – September 2024), reporting a revenue of INR 21.82 crores during this period. The company entered the Mumbai market in November 2024, marking a significant milestone in its expansion journey.

The management is optimistic about its growth trajectory and projects a total revenue of INR 50.30 crores for FY25, backed by its scaling operations and increasing market presence. Additionally, the company is targeting a Profit After Tax (PAT) of INR 7.07 crores for the same period.

The financial projections for the upcoming years are derived based on management estimates and anticipated growth strategies.

All figures in INR Crores

	<u>FY25 E</u>	<u>FY26 P</u>	<u>FY27 P</u>	<u>FY28 P</u>
Revenue from Operations	50.30	90.60	154.00	204.00
<u>Expenses</u>				
- Cost of Materials Consumed	16.25	31.21	51.67	69.15
- Employee Benefits Expense	6.62	13.59	23.41	29.99
- Other Expenses	15.67	27.27	46.67	60.67
Total Operating Cost	38.54	72.07	121.74	159.81
Operating Profit (EBITDA)	11.75	18.53	32.26	44.19
<i>EBITDA Margin</i>	23.37%	20.45%	20.95%	21.66%
<u>Depreciation & Amortization</u>	<u>2.39</u>	<u>6.25</u>	<u>7.06</u>	<u>8.84</u>
Earnings Before Interest & Tax	9.36	12.27	25.20	35.35
<i>EBIT Margin</i>	18.61%	13.55%	16.37%	17.33%
<u>Finance Costs</u>	<u>0.90</u>	<u>2.28</u>	<u>2.01</u>	<u>1.70</u>
Earnings Before Tax	8.46	9.99	23.19	33.65
<i>EBT Margin</i>	16.81%	11.03%	15.06%	16.49%
<u>Income Tax</u>	<u>1.45</u>	<u>1.72</u>	<u>3.98</u>	<u>5.77</u>
Profit for the Period	7.07	8.43	19.36	28.04
<i>Net Profit Margin</i>	14.05%	9.31%	12.57%	13.74%

Note: Financial Projections have been provided by the management. These projections assume a fund infusion of INR 25 crores by April 2025.

Projections & Valuation

Harley's Valuation

Harley's is currently raising capital through a Fresh Issue of Ordinary Equity Shares on a private placement basis. The company has determined a pre-money valuation of INR 270 crores.

As part of its funding strategy, Harley's is raising INR 15 crores in equity through private placement, alongside an additional INR 10 crores in debt from select NBFCs. These funds will be utilized to support the company's ambitious capital expenditure plans over the next three years, aimed at expanding its presence across premium markets in India and making its international debut in Dubai (UAE).

To facilitate this growth, Harley's has increased its Authorized Share Capital from INR 5 crores to INR 15 crores. Consequently, its outstanding shares have grown from 40 lakh (as of March 31, 2024) to 120 lakh (as of December 31, 2024).

As part of the fresh issue, the company is offering 6.66 lakh shares with a Face Value of INR 10 each, priced at INR 225 per share (including premium).

Valuation of the Company	INR 270 Crores (Pre-Money)	INR 285 Crores (Post-Money)
--------------------------	-------------------------------	--------------------------------

Valuation Metrics as of 31 st March 2024	Undiluted	Diluted
No. of Outstanding Shares As of 31 st December 2024	1,20,00,000	1,26,66,666
Price per Share	225.00	225.00
EPS	2.82	2.67
Price-to-Earnings (P/E)	79.79	84.27
BVPS	6.02	5.70
Price-to-Book Value (P/BV)	37.38	39.47

	FY25 E*	FY26 P	FY27 P	FY28 P
Forward EPS	5.89	6.65	15.28	22.14
Forward P/E	38.20	33.83	14.73	10.16

E - Estimated P - Projected

* Note: Undiluted EPS is assumed for FY25, whereas diluted EPS is used for FY27 and FY28, as the management expects the funds to be infused by April 2025.

Projections & Valuation

Industry Comparison

Company	Funding Round	Amount Raised	Pre-Money Valuation	Post-Money Valuation	Revenue	Pre-Money Revenue Multiple	Post-Money Revenue Multiple
Belgian Waffle	Series A	29.8	147.0	177.0	46.1	3.19	3.84
Baker's Dozen	Series A	33.2	124.8	158.0	44.9	2.78	3.52
Bakingo	Series A	133.0	439.0	572.0	159	2.76	3.60
Blue Tokai	Series C	294.0	981.0	1275.0	221	4.44	5.77
Third Wave	Series C	288.0	659.0	947.0	172	3.83	5.51
Subko Coffee	Series B	83.2	206.8	290.0	25.7	8.05	11.28
Ab Coffee	Series A	28.1	96.3	124.0	4.3	22.40	28.84
Biryani Blues	Series B	10.0	174.0	184.0	52.6	3.31	3.50
Chai Point	Series C	95.5	1366.5	1462.0	205	6.67	7.13
Wow Momos	Series D	263.0	2167.0	2430.0	416	5.21	5.84
Burger Singh	Series A	13.3	398.0	415.0	73.1	5.44	5.68
Chaayos	Series C	2.5	1850.0	1852.5	256	7.23	7.21
99 Pancakes	Seed	4.0	60.0	64.0	24.1	2.49	7.66
Creme Castle	Seed	7.0	25.4	32.4	10.2	2.49	3.18
Hocco	Early Stage	130.0	478.0	608.0	---	---	---
Harley's	Early Stage	15.8	270.0	285	50.3	5.37	5.68

Harley's valuation has been assessed against other Food Service startups based on recent investment rounds. Data from *Tracxn* and news reports indicate that deals between 2022 and 2024 have seen companies raising funds up to Series D, with at least four surpassing INR 1,000 crores in valuation.

Excluding Ab Coffee, the Average Revenue Multiple (ARM) at pre-money valuation stands at 4.45, while post-money ARM is 5.29. These figures are based on revenue at the financial year-end in which the transactions occurred.

Harley's management estimates FY25 revenue at INR 50.30 crores, with the company raising capital at a revenue multiple of 5.37 (pre-money) and 5.66 (post-money). This places Harley's valuation at par with industry trends, positioning it competitively within the Food Service segment.




Future Plans

Roadmap for Expansion

Harley's is strategically expanding its presence by strengthening existing clusters and creating new ones to solidify its market dominance. The company has adopted a data-driven approach to market entry, conducting rigorous studies before establishing operations in any new region. This measured expansion strategy has allowed Harley's to maintain profitability across all its operational clusters.

In line with its vision for growth, the company is focusing on strengthening its digital presence while positioning itself as a pioneer in the premium gifting segment. CEO Mr. Suresh envisions a significant portion of future business coming from the gifting space. To establish a stronghold in Tier-1 cities, the company will continue adding Ivory Lounges in premium locations, while expanding primarily through cloud kitchens and QSR outlets to scale efficiently.

Harley's is also expanding its geographical footprint, transitioning from South India to North India, with plans to establish a global presence starting in Dubai (UAE) by FY26. Additionally, the company has developed a proprietary, scalable recipe for 100% vegetarian French Macarons, reinforcing its innovation-led approach.

		Q3 FY25	Q4 FY26
	Cloud Kitchen	16	41
	QSR Outlets	8	17
	Ivory Lounge	6	17

Further diversification is on the horizon, as the promoter has expressed interest in entering the Packaged Foods segment to offer premium confectionery products.

As of December 31, 2024, Harley's operates 6 Ivory Lounges and 24 QSR outlets/cloud kitchens. With an ambitious growth trajectory, the company aims to expand to 17 lounges and 58 QSR outlets/cloud kitchens by FY26.



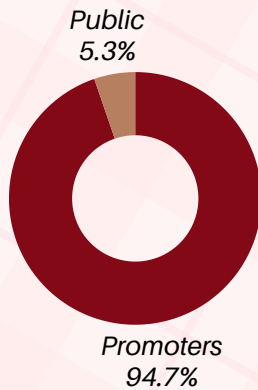
Harley's entering into Packaged Foods segment with French Macarons



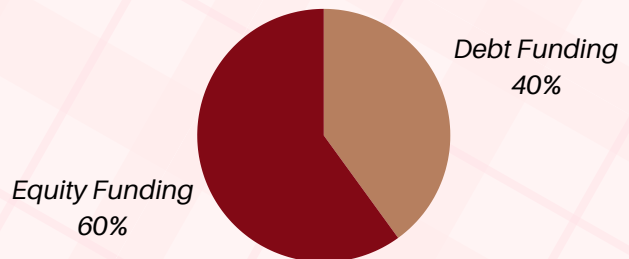
Future Plans

Capital Raise

Harley's is set to raise INR 15 crores through a fresh equity issuance, valuing the company at INR 270 crores (pre-money), alongside an additional INR 10 crores via debt financing. This round of funding will result in a 5.3% equity dilution.



Shareholding Pattern after Equity Round



Proportion of Capital Raised from Equity & Debt

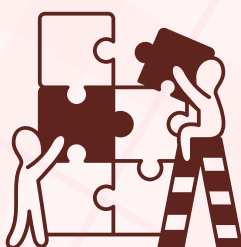
According to the management, Harley's is still in its early-growth stage, and the current capital infusion is deemed sufficient to achieve its strategic objectives by 2027. While the company remains open to potential future fundraising, there is no confirmed plan for another equity round in the next financial year.

The debt financing will be utilized primarily to strengthen working capital, particularly in Mumbai. However, since the terms of the debt borrowing are still under negotiation, specific details remain undisclosed at this stage.

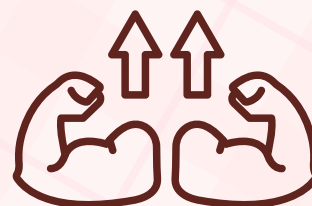
Capital Expenditure

Harley's plans to allocate 80% of its total capital raise toward expanding clusters and setting up new Ivory Lounges, while the remaining 20% will be used for working capital requirements. The entire equity funding will be directed toward expansion.

The company has broadly segmented its expansion strategy into two key areas:



Creating
New
Clusters



Strengthening
Current
Clusters

Future Plans

■ *Creating New Clusters*

- Harley's entered the Mumbai market with its 100% vegetarian Ivory Lounge in November 2024. Future expansion in the city will be based on market response and demand analysis.

Bangalore has been a highly profitable market for the brand since its inception. The
- company aims to add more Ivory Lounges in premium locations while increasing cloud kitchens to cater to demand efficiently.

Hyderabad serves as Harley's test market, where it experiments with new strategies and
- product innovations. With three clusters and over 15 outlets, Harley's intends to expand into airport retail, theatres, and hospital retail, diversifying its revenue streams.

By FY27, Harley's plans to enter international markets, starting with UAE and the UK,
- positioning itself as a global competitor to Western brands in the premium confectionery and café space.

■ *Strengthening Current Clusters*

- Harley's continuously evaluates its digital presence and cost structures to optimize margins and enhance efficiency. Cloud kitchens are strategically placed based on market trends and demand.

The company has built strong brand recall through social media, expanding its network
- of cloud kitchens and QSR outlets in existing clusters to boost digital sales and drive cost-effective growth.

Harley's has ambitious plans to enter the packaged foods segment, leveraging its proprietary recipes. With an existing large-scale production setup for French Macarons, the company aims to increase production capacity, streamline supply chain management, and invest in R&D to introduce a broader range of premium packaged confectionery products.

IPO Plans

Harley's plans to go public on the mainboard by FY27, aligning its IPO strategy with its expansion and consolidation plans.

- The management has stated that an IPO will be considered only after establishing at least one cluster in every major metro city across India.
- By FY27, the company expects to consolidate its clusters, ensuring stable and scalable growth before listing

Corporate Structure

Shareholding Pattern

Harley's has remained a completely bootstrapped company since its inception, with 100% ownership retained by the Promoter and Promoter Group. The company has not issued any preference shares or any other form of equity apart from ordinary equity shares.

Between 31st March 2024 and 31st December 2024, Harley's restructured its shareholding pattern, making significant changes to its capital structure. The updated shareholding breakdown (illustrated in the infographic) reflects these changes, detailing the total shares and their distribution among promoters.

Date	Outstanding Shares	Cumulative Numbers	Remarks
01-Apr-24	40,00,000	40,00,000	Total Shares at the Beginning of FY25
15-Nov-24	32,00,000	72,00,000	Bonus Shares Issued to existing Investors
21-Nov-24	20,00,000	92,00,000	Loan from Directors converted to Equity at Face Value
27-Nov-24	28,00,000	1,20,00,000	Bonus Shares Issued to existing Investors
Ongoing	6,66,666	1,26,66,666	Fresh Issue to Investors

Board of Directors

According to the Independent Auditor's Report, as of 31st December 2024, Harley's has three directors serving on its board:

1 Lavudiya Lakshmiram

2 Nikhitha Banoth

3 Leelavathi Loonavath

All members of the Board of Directors are immediate relatives of Mr. Suresh NR, the CEO of the company.

Corporate Structure

Subsidiaries & Group Companies

Harley's has filed standalone financial statements until 31st March 2024, as the company did not have any subsidiaries during that period. However, according to official documents, the Promoter Group holds multiple other entities that operate under the Harley's brand.

- 1 Harley's Celebrations Pvt Ltd
- 2 Harley's Projects Pvt Ltd
- 3 Harley's Industries Pvt Ltd
- 4 Harley's Foundation (Non-Profit Organization)

The management has clarified that these entities currently do not have significant business operations. They were established with the intent of expanding into new business segments within the industry.

Although these companies remain separate from Harley's India at present, the board is contemplating bringing them in as subsidiaries in FY25. However, there is no concrete plan in place, and discussions regarding their integration are still at an early stage.

Awards & Achievements

Guinness Book of World Records

On December 6, 2024, Harley's achieved a remarkable milestone by setting a *Guinness World Record* for creating the largest honey cake in the world. The cake, weighing an astonishing 2,254 kilograms, measured 21.34 meters in length and 1.64 meters in width.

This extraordinary feat was made possible through the combined efforts of over 200 chefs, who worked meticulously to bring the vision to life. The *Guinness World Records* representatives officially recognized the achievement, presenting the prestigious certificate to Suresh NR, CEO of Harley's India.

Beyond breaking records, the initiative also had a humanitarian purpose. The cake, which cost ₹25 lakh to make, was generously distributed to orphans, government school students, and underprivileged individuals, turning the celebration into a meaningful act of community service.

Harley's views this accomplishment as a testament to the creativity, skill, and innovation of Indian bakers, showcasing their expertise on a global stage.



Click on the link to view the Video of the Event



Click on the link to view the Official Records on the website of Guinness World Records

DECCAN
Chronicle

Harley's India Makes History with World's Largest Russian Medovik Cake

Economic Analysis

Indian Economy

As of the third quarter of 2024, India's Gross Domestic Product (GDP) expanded by 5.4% compared to the same period in the previous year. This growth reflects a steady economic trajectory, albeit slightly below the annual median GDP growth forecast of 7.0% for 2024-25 projected by the Federation of Indian Chambers of Commerce & Industry (FICCI). Inflation, measured by the Consumer Price Index (CPI), was projected at 4.8% for the October-December 2024 quarter by the Reserve Bank of India (RBI).

This rate aligns with the RBI's target range, indicating controlled price levels in the economy. In its recent monetary policy updates, the RBI has maintained a cautious stance, keeping key interest rates unchanged to balance growth and inflation. This approach aims to support economic expansion while ensuring price stability.

Over the past three months, the Indian Rupee (INR) has experienced depreciation against the US Dollar (USD). This trend can be attributed to various factors, including global economic uncertainties and capital outflows.

The Purchasing Managers' Index (PMI) for manufacturing has remained above the threshold of 50, indicating expansion in the sector. This suggests resilience in manufacturing activities, contributing positively to the overall economic outlook.

Considering these indicators, the consumption outlook in India appears cautiously optimistic. Steady GDP growth and controlled inflation support consumer spending. However, currency depreciation and global economic uncertainties may pose challenges, potentially affecting import prices and purchasing power.

Global Economy

The U.S. Federal Reserve has recently signaled a potential slowdown in its balance sheet runoff, indicating a cautious approach to monetary tightening. This decision reflects concerns over economic growth and aims to mitigate market volatility. Yields on 10-year U.S. Treasury securities have risen over 100 basis points since their September lows, even as the Federal Reserve has been lowering its target policy rate. This increase suggests investor concerns about fiscal sustainability and potential inflationary pressures.

Economic Analysis

China's economy has faced challenges due to trade tensions and internal structural adjustments, leading to moderated growth. Similarly, the European Union has encountered economic headwinds, influenced by geopolitical tensions and policy uncertainties.

These global economic dynamics have significant implications for India. Rising U.S. Treasury yields may attract capital away from emerging markets, potentially leading to tighter financial conditions. Additionally, economic slowdowns in major economies like China and the European Union could impact India's export demand, influencing overall economic performance.

Indian Financial Markets

The Indian financial markets have experienced a period of volatility, with benchmark indices Nifty 50 and BSE Sensex reflecting cautious investor sentiment. In the past 3 months, domestic markets have faced downward pressure due to an extended sell-off by foreign institutions.

The market downturn can be attributed to several factors, including high stock valuations, subdued corporate earnings, and global trade uncertainties. The Nifty 50 index recorded a net profit growth of 4% during the first nine months of the current financial year (9MFY25), a significant slowdown compared to the over 20% compound annual growth rate (CAGR) observed during FY20-24. Additionally, concerns over potential U.S. tariffs have contributed to market volatility.

Despite the recent challenges, the Indian markets have demonstrated resilience over the longer term. In 2024, the Sensex and Nifty delivered annual gains of 8.17% and 8.8%, respectively, marking their ninth consecutive year of positive returns. Looking ahead, analysts anticipate that markets may stabilize from the first quarter of 2025-26 as concerns around tariffs diminish and discretionary consumption recovers. Easier monetary policy and improvements in employment trends are expected to support this recovery, with Nifty 50 earnings per share (EPS) projected to grow at 12-13% for 2025-26.

In summary, while the Indian financial markets have faced recent headwinds, the long-term outlook remains cautiously optimistic, supported by anticipated policy measures and a potential revival in consumer demand.

Economic Analysis

Investing in India

In 2024, India's startup ecosystem experienced a nuanced shift in foreign investment dynamics. The venture capital segment saw a notable 44.4% year-on-year increase, reaching \$9.2 billion between January and October 2024. This surge in venture capital funding indicates sustained confidence among foreign investors in India's startup ecosystem, particularly in early-stage ventures.

The country's overall foreign direct investment (FDI) landscape also showed resilience. Gross FDI inflows rose by 17.9% year-on-year, amounting to \$55.6 billion during April-November FY25, up from \$47.2 billion in the same period of the previous fiscal year. This growth boosts India's continued appeal as a favorable investment destination, driven by its large consumer base and expanding digital infrastructure.

Additionally, the Indian startup ecosystem witnessed a significant increase in new fund launches, with over \$8.7 billion raised through 81 new funds in 2024. This influx of capital is poised to support innovative ventures across various sectors, further solidifying India's position as a global startup hub.

In summary, despite a slight dip in total funding, the Indian startup landscape remains robust, bolstered by increased venture capital investments and a favorable FDI environment. These trends reflect sustained foreign interest and confidence in India's economic potential and entrepreneurial spirit.

Company Information

Company Name: **Harley's India Private Limited**

CIN: **U15412TG2019PTC136142**

ISIN: **INE1FUB01013**

Reg. Address: **Survey No. 55/E, Nanakramguda, Gachibowli,
KV Rangareddy, Seri Lingampelly, Telangana,
India - 500 032**

Contact No.: **+91 80830 98888**



<https://www.harleys.com/>



<https://www.linkedin.com/company/harleys/>



<https://www.instagram.com/harleysfinebaking/>

Bankers:

ICICI Bank Ltd

HDFC Bank Ltd

Axis Bank Ltd

Auditor

M/s Uday Ramini & Co.

Reg No.: 238366

Address: No. 406, 4th Floor, LPT Market,
LB Nagar, Hyderabad - 500 074,
Telangana, India

Sources & References

Sources

Data pertaining to business operations including business statistics, KPIs and other relevant data have been procured from the company's management.

Digital Sources

1. <https://business.probe42.in/>
2. <https://www.bseindia.com/>
3. <https://tradingeconomics.com/>
4. <https://www.investing.com/>
5. <https://www.screener.in/>
6. <https://in.tradingview.com/>
7. <https://platform.tracxn.com/>
8. <https://entrackr.com/>

Other Sources

1. LinkedIn
2. Instagram
3. Canva

References

References to News Articles

1. [Gourmet Pro - A Deep into the Confectionery Market](#)
2. [Food Export Market - Confectionery & Snacks Global Market](#)
3. [Government of Canada - Sector Trends Analysis - Confectionery trends in India](#)
4. [Economic Times - The Indian desserts market and how are startups contributing to its rise](#)
5. [Indus Food - Rising dough: India's evolving bakery market](#)
6. [CNBCTV18 - India's sweet affair: From traditional mithai to modern delights, the market sees a steady rise](#)
7. [India Retailing - India's 6 hottest home-grown coffee chains](#)
8. [IBEF - Exploring India's Booming Restaurant Industry](#)
9. [Entrepreneur - Fresh From the Oven: The Rise Of Baking Startups](#)
10. [Toastlab - Gen Z And Millennial Restaurant Trends](#)
11. [India Retailing - Le Pain Quotidien re-enters Indian market, targets 100 outlets by 2035](#)
12. [Restaurant India - Saurabh Luthra Led Romeo Lane to launch 30 more outlets; Venture into Boutique Hotels](#)
13. [Restaurant India - Luckin Coffee to Enter in India: Here's How This Chinese Coffee Chain is Making Big in China](#)
14. [Business World - Barista Is On Track To Become India's Top Café Chain: Rajat Agrawal](#)
15. [ET Retail - How Blue Tokai is planning to become a Rs 1,000 crore brand in next 3 years](#)
16. [Upstox - <https://upstox.com/news/upstox-originals/investing/coffee-chains-are-brewing-across-india/article-117152/>](#)
17. [Restaurant India - Haldiram Bhujawala takes over The Coffee Bean & Tea Leaf India franchise from Everstone Capital](#)
18. [Forbes - Why restaurateurs are betting big on India's new penchant for luxe dining experiences](#)
19. [Financial Express - Bikaji to enter bakery business](#)

References to Reports

1. Apeejay Surrendra Park Hotels Ltd - Investor Presentation - Q3 FY25
2. Bain & Co. and Swiggy - How India Eats - 2024
3. Christ University - A Study on the Fast Food consumption of the Millennial & GenZ - 2020
4. CRISIL - Assessment of Confectionery & Cafe market in India - Aug 2023
5. India Watch - India's Cafe Industry Overview 2024
6. Invest India - Indian Confectionery Industry Report
7. MoFPI & EY - Food Processing Sector Profile - Bakery
8. MoFPI & EY - High Growth Segments of Indian F&B Industry
9. MSL Group - Make Way for BharatZ - 2024
10. NIU International - Growth in Cafe Industry
11. Rainforest Alliance & CRE - Mindful Brew Report - Oct 2024
12. Redseer - Indian Hyperlocal Commerce - 24.09.2024
13. Swiggy - Investor Presentation - Q3FY25
14. Tata Consumer Products - Investor Presentation - Q3FY25
15. Tata Consumer Products - Transcript of Earnings Call - Q3FY25
16. The \$2 trillion Opportunity in India - BCG & Snapchat - Oct 2024
17. YourStory - Annual Funding Report 2024
18. Zomato - Annual Report - FY24

Note: Click on the text marked in blue to open the respective article through an embedded URL

Disclosures & Disclaimers

General Details

Name of the Research Analyst: **Aniket Nerkar**

SEBI Registered No.: **INH000009162**

Registered Address: **Shop No. 5, Shreenath Residency-1 CHS, Jaideep Nagar, Bhandup (East), Mumbai - 400 042**

Contact No.: **+91 79774 53398 / +91 22 460 410 37**

Email ID: **aniketnerkar@outlook.com / aniketnerkar11@gmail.com**

Subject Company: **Harley's India Pvt Ltd**

Client: **QROPS Advisory Services Pvt Ltd**

Mandatory Disclosures

Definitions of the terms used over and above those defined by SEBI under Research Analyst Regulations (2014)

1. "Research Analyst" means a person whose business activity is research analysis or preparation and/or publication of research report.
2. "Research Services" means the business activities including but not limited to recommendations to buy/sell financial securities.
3. "Research Report" means the final report prepared by the Research Analyst.
4. "Client" means the person who receives the Research Report.
5. "Products" means the different services provided by the Research Analyst.
6. "Recommendation" means a recommendation or an advice to buy/sell a security/instrument or a combination of securities/instruments.

Standard Disclosures pertaining to the Research Report

1. This Research Report is prepared solely by the Research Analyst.
 2. The Research Analyst or his associates do not hold any interest (financial or otherwise) in the Subject Company as of the date of submission of this Research Report.
 3. The Research Analyst and/or his firm and/or his associates do not hold equity shares of the Subject Company as of the date of delivering this report.
 4. This Research Report is a detailed financial report on the Subject Company's business and should not be interpreted as research recommendation or financial advice.
 5. This Research Report does not assign a 'buy' / 'hold' / 'sell' or any other recommendation on the Subject Company.
 6. This Research Report is not an investment proposal and must not be considered as one.
 7. The Research Report is not made with the intent to carry out/ influence any financial transactions/ investments with/in the Subject Company. Readers of the report are advised to consult their financial advisors before transacting/investing with/in the Subject Company.
 8. The Research Analyst and his firm are not to be held accountable for any financial or non-financial loss incurred to any individual/ body/ institution occurring out of transactions of any nature with the Subject Company and/or its associates.
 9. The information mentioned in this Research Report is gathered by the Research Analyst from sources that appear to be authentic.
 10. The Research Analyst or his firm and associates do not guarantee the authenticity of the information.
 11. All information regarding the Subject Company is procured from the officials of the Subject Company and from digital vendors as mentioned in the Sources & References.
 12. Information provided by the Subject Company may be communicated by email, digital media, or through conversations with the management.
 13. The Subject Company is completely and solely responsible for the information provided by its officials to the Research Analyst.
 14. The Research Analyst has used AI assistance for drafting of this Research Report. However, AI has been only used for drafting and compiling the information fed to these AI models in the form of curated prompts.
-

Disclosures & Disclaimers

General Disclosures

Disclosures pertaining to interest in the Subject Company/asset of the report:

1. The Research Analyst engaged in preparation of this Research Report or his relative:-
 - a. does not have any financial interests in the Subject Company(s) mentioned in this report.
 - b. does not own 1% or more of the equity securities of the Subject Company mentioned in the report as of the last day of the month preceding the publication of the Research Report.
 - c. does not have any other material conflict of interest at the time of publication of the Research Report.
2. The Research Analyst engaged in preparation of this Equity Report:-
 - a. has not received any compensation from the Subject Company in the past twelve months.
 - b. has not managed or co-managed public offering of securities for the Subject Company in the past twelve months.
 - c. has not received any compensation for investment banking or merchant banking or brokerage services from the Subject Company in the past twelve months.
 - d. has not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the Subject Company in the past twelve months.
 - e. has not received any compensation or other benefits from the Subject Company or third party in connection with the research report.
 - f. has not served as an officer, director or employee of the Subject Company.
 - g. is not engaged in market making activity for the Subject Company.

Disclosure on Disciplinary History of the Research Analyst

The Research Analyst has not been tried for or accused of any disciplinary action or breach of the Indian law.

Disclaimers pertaining to the Research Report

1. The security(ies) mentioned in the Report have been identified on the basis of internally developed methodology and use of various data and other sources believed by the Research Analyst to be reliable.
2. The accuracy and reliability of the data or the source cannot be guaranteed by the Research Analyst. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness.
3. The Research Analyst certifies that the views expressed in the Report reflect his personal views about the security(ies), which are subject to change without notice. No part of the Research Analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in the report.
4. The Research Report/ the contents of the Research Report/ Statistical Data/ Analysis/ Formats and all other information related to the Research Services provided to the Clients by the Research Analyst, is/are an Intellectual Property that completely and solely belong to the Research Analyst.
5. The Client of this report shall take into consideration their own financial capacity and shall take a rational decision by themselves.
6. Client should not solely rely on the information contained in the Research Reports and must make investment/trading decisions based on their own financial objectives, judgment, risk profile and financial position.
7. The recipients of this Research Report may take professional advice before acting on this information.
8. The Research Analyst has complete authority to change or alter the Products offered or the terms of the Research Services without prior notice.

All Investments are subject to Market Risk. Please read all investment documents carefully before Investing.
