



**Choice**  
Nurturing Financial Excellence

# IPO REPORT

**“SUBSCRIBE” to  
Glenmark Life Sciences Ltd.**

A leading player in high value, non-commoditized APIs

## Salient features of the IPO:

- **Glenmark Life Sciences Ltd.** (GLS), the subsidiary of pharma major Glenmark Pharmaceuticals Ltd., is planning to raise up to Rs. 1,500cr through an IPO, which opens on 27<sup>th</sup> Jul. and closes on 29<sup>th</sup> Jul. 2021. The price band is Rs. 695 - 720 per share.
- The issue is a combination of fresh and OFS. The company will not receive any proceeds from the OFS portion. Of the net proceeds from the fresh issue, Rs. 800cr will be utilized for the payment of outstanding purchase consideration to the promoter for the spin-off of their API business into the company, another Rs. 152.8cr will be used to fund the capital expenditure requirements.

## Key competitive strengths:

- Leadership in select high value, non-commoditized APIs in chronic therapeutic areas
- Strong relationships with leading global generic companies
- Quality-focused compliant manufacturing and R&D infrastructure
- Strong focus on sustainability in operations
- Cost leadership across products through careful monitoring and continuous effort
- Experienced management team with proven track record

## Risk and concerns:

- Unfavorable government policies
- Difficulties in new client addition
- Unfavorable forex movements
- Unfavorable movements in key raw material prices
- Competition

**Peer comparison and valuation:** At higher price band of Rs. 720, GLS is demanding a P/E valuation of 25.1x (to its restated FY21 EPS of Rs. 28.7), which is at discount to the peer average of 37.5x.

**Below are a few key observations of the issue:** (continued in next page)

- The global active pharmaceutical ingredient (API) market was estimated to be around USD 181.3bn in FY20 and is expected to grow at 6.2% CAGR to reach to about USD 259.3bn by FY26. India with an estimated market share of 6% has reported a growth rate of 9% CAGR during FY16-20. India has contributed significantly to the global generics market by fulfilling 20% of the global demand in generics in terms of volume, thereby making itself the largest provider of generic medicines globally. Currently, India has highest number of USFDA-approved plants outside of the United States as well as 44% of global abbreviated new drug applications. India's API market is further expected to expand by 9.6% CAGR over FY21-26.
- GLS is a leading developer and manufacturer of high value, non-commoditized APIs and its portfolio comprises of 120 products (10 products in laboratory development; four products in laboratory validation and 106 products being commercialized) ranging across various therapy areas like cardiovascular, central nervous system disease, diabetes, anti-infectives and others. The company also provides contract development & manufacturing operations (CDMO) services to a range of multinational and specialty pharmaceutical companies. As on FY21, APIs and CDMO contributed around 91% and 8% to the revenue, respectively.

Recommendation	SUBSCRIBE
Price band	Rs. 695 - 720 per share
Face value	Rs. 2
Shares for fresh issue	1.472 - 1.525cr shares
Shares for OFS	0.630cr shares
Fresh issue size	Rs. 1,060cr
OFS issue size	Rs. 437.9 - 453.6cr
Total issue size	2.102 - 2.155cr shares (Rs. 1,497.9 - 1,513.6cr)
Bidding date	27 <sup>th</sup> Jul. - 29 <sup>th</sup> Jul. 2021
MCAP at higher price band	Rs. 8,822cr
Enterprise value at higher price band	Rs. 8,601cr
Book running lead manager	Kotak Mahindra Capital Company Ltd., BofA Securities India Ltd., Goldman Sachs (India) Securities Pvt. Ltd., DAM Capital Advisors Ltd., BOB Capital Markets Ltd. and SBI Capital Markets Ltd.
Registrar	KFin Technologies Pvt. Ltd.
Sector	Pharmaceuticals
Promoters	Glenmark Pharmaceuticals Ltd.

Issue breakup		
Category	Percent of issue (%)	Number of shares
QIB portion	50%	1.051 - 1.078cr shares
Non institutional portion	15%	0.315 - 0.323cr shares
Retail portion	35%	0.736 - 0.754cr shares

Indicative IPO process time line		
Finalization of basis of allotment		3 <sup>rd</sup> Aug. 2021
Unblocking of ASBA account		4 <sup>th</sup> Aug. 2021
Credit to demat accounts		5 <sup>th</sup> Aug. 2021
Commencement of trading		6 <sup>th</sup> Aug. 2021

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	100.00%	82.84%
Public	00.00%	17.16%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Retail application money at higher cut-off price per lot	
Number of shares per lot	20
Application money	Rs. 14,400 per Lot

Analyst	
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## Peer comparison and valuation (Contd...):

Company name	Face value (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs. cr)	Stock return (%)				FY21 operating revenue (Rs. cr)	FY21 EBITDA (Rs. cr)	FY21 PAT (Rs. cr)	FY21 EBITDA margin (%)	FY21 PAT margin (%)
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<b>Glenmark Life Sciences Ltd.</b>	<b>2</b>	<b>720</b>	<b>8,822</b>	<b>8,601</b>					<b>1,885</b>	<b>591</b>	<b>352</b>	<b>31.4%</b>	<b>18.6%</b>
Aarti Drugs Ltd.	10	713	6,606	6,901	-0.9%	-1.2%	2.0%	96.3%	2,155	437	280	20.3%	13.0%
Divi's Laboratories Ltd.	2	4,788	127,093	134,232	14.2%	26.5%	32.8%	108.1%	6,969	2,860	1,984	41.0%	28.5%
Laurus Labs Ltd.	2	663	35,598	36,865	11.8%	49.6%	78.4%	408.9%	4,814	1,551	984	32.2%	20.4%
Shilpa Medicare Ltd.	1	663	5,407	6,008	24.4%	63.6%	50.8%	23.5%	901	182	148	20.2%	16.4%
Solara Active Pharma Sciences Ltd.	10	1,670	6,001	6,318	-3.2%	15.0%	33.9%	156.1%	1,617	386	221	23.9%	13.7%
<b>Average</b>												<b>27.5%</b>	<b>18.4%</b>

Company name	FY21 top-line growth (%)	FY21 EBITDA growth (%)	FY21 PAT growth (%)	2Y average EBITDA margin (%)	2Y average PAT margin (%)	FY21 capital employed growth (%)	FY21 CFO growth (%)	2Y average fixed asset turnover (x)	2Y average total asset turnover (x)	2Y average RoE (%)	2Y average RoIC (%)
<b>Glenmark Life Sciences Ltd.</b>	<b>22.6%</b>	<b>25.2%</b>	<b>12.3%</b>	<b>31.0%</b>	<b>19.5%</b>	<b>339.0%</b>	<b>99.0%</b>	<b>3.0</b>	<b>0.8</b>	<b>48.7%</b>	<b>51.6%</b>
Aarti Drugs Ltd.	19.3%	67.0%	98.3%	17.4%	10.4%	14.9%	-38.2%	3.0	1.2	26.2%	21.5%
Divi's Laboratories Ltd.	29.2%	56.9%	44.2%	37.4%	27.0%	22.6%	60.1%	1.5	0.6	20.1%	18.5%
Laurus Labs Ltd.	70.0%	174.7%	285.3%	26.1%	14.7%	66.0%	111.0%	1.7	0.8	26.1%	24.7%
Shilpa Medicare Ltd.	-0.7%	-17.3%	-5.4%	22.2%	16.8%	26.0%	-61.9%	0.6	0.4	10.9%	6.8%
Solara Active Pharma Sciences Ltd.	22.3%	48.8%	93.2%	21.7%	11.2%	28.2%	-36.3%	1.0	0.6	12.2%	14.3%
<b>Average</b>	<b>28.0%</b>	<b>66.0%</b>	<b>103.1%</b>	<b>25.0%</b>	<b>16.0%</b>	<b>31.5%</b>	<b>6.9%</b>	<b>1.6</b>	<b>0.7</b>	<b>19.1%</b>	<b>17.2%</b>

Company Name	EPS (Rs.)	BVPS (Rs.)	DPS (Rs.)	Debt equity ratio	Total asset turnover ratio	RoE (%)	RoCE (%)	P / E (x)	P / B (x)	EV / Sales (x)	EV / EBITDA (x)	MCAP / Sales (x)	Earning yield (%)
<b>Glenmark Life Sciences Ltd.</b>	<b>28.7</b>	<b>147.9</b>	<b>0.0</b>	<b>0.5</b>	<b>0.6</b>	<b>19.4%</b>	<b>30.4%</b>	<b>25.1</b>	<b>4.9</b>	<b>4.6</b>	<b>14.6</b>	<b>4.7</b>	<b>4.0%</b>
Aarti Drugs Ltd.	30.3	98.6	2.5	0.3	1.3	30.7%	35.4%	23.6	7.2	3.2	15.8	3.1	4.2%
Divi's Laboratories Ltd.	74.7	350.1	20.0	1.0	0.7	21.3%	27.9%	64.0	13.7	19.3	46.9	18.2	1.6%
Laurus Labs Ltd.	18.3	48.4	1.4	0.5	0.8	37.9%	40.9%	36.2	13.7	7.7	23.8	7.4	2.8%
Shilpa Medicare Ltd.	18.1	181.4	1.1	0.5	0.3	10.0%	6.4%	36.6	3.7	6.7	33.1	6.0	2.7%
Solara Active Pharma Sciences Ltd.	61.6	442.1	7.0	0.3	0.6	13.9%	15.2%	27.1	3.8	3.9	16.4	3.7	3.7%
<b>Average</b>			<b>6.4</b>	<b>0.5</b>	<b>0.7</b>	<b>22.8%</b>	<b>25.2%</b>	<b>37.5</b>	<b>8.4</b>	<b>8.1</b>	<b>27.2</b>	<b>7.7</b>	<b>3.0%</b>

Source: Choice Broking Research

- The total market size for these 120 products globally was estimated to be around USD 142bn in 2020 and is expected to grow by 6.8% CAGR over the next five years to reach a size of USD 211bn by 2026. The future growth of these products is expected to remain stable driven by the rising prevalence of non-communicable diseases and growing demand from the regulated markets for drugs.
- It is a R&D driven API manufacturer. As of 31<sup>st</sup> May 2021, the company owned or co-owned 39 granted patents and had 41 pending patent applications in several countries and six pending provisional applications in India. Also, the company has filed 403 DMFs and CEPs across various major markets (i.e. United States, Europe, Japan, Russia, Brazil, South Korea, Taiwan, Canada, China and Australia). Going forward, the company intends to develop 8-10 molecules per year.
- GLS has four high quality multi-purpose manufacturing facilities with an annual installed capacity of 726.6 kilo liters, situated in the state of Gujarat (Ankleshwar and Dahej) and Maharashtra (Mohol and Kurkumbh). Since 2015, these facilities had 38 inspections and audits by global regulators, but haven't received any warning letters or import alerts.
- In the near term, to support the growth in the generic and proposed development of the oncology products, the company intends to increase its capacities at the Ankleshwar facility during FY22 and at Dahej facility during FY22-23. Aggregate installed capacity is likely to increase by 200 kilo liters by FY23. Further, it also intends to develop a new facility for generic APIs and for CDMO business, which will be operational by Q4 FY23.
- GLS's products are sold in both regulated markets and emerging markets with regulated markets contributing 65-70% of the business. According to the management, these regulated markets will continue to be the focus and growth areas for the company.
- As of 31<sup>st</sup> Mar. 2021, 16 of the 20 largest generic companies globally were its customers. GLS derived around half of the business from the overseas markets like Europe, North America, Latin America, Japan etc. Its clientele includes Glenmark, Teva Pharmaceutical, Torrent Pharmaceuticals, Aurobindo Pharma, Krka etc. Glenmark is the single largest customer, contributing around 40% of the revenue.

## Peer comparison and valuation (Contd...):

- On financial performance front, GLS has demonstrated a solid business growth with consistency in the profitability margins. On the back of increased sales of APIs over FY19-21, the company has reported a 45.8% CAGR rise in the operating revenue to Rs. 1,885.2cr in FY21. Total operating expenditure increased by 42.3% CAGR (lower than top-line growth), thereby leading to a 54.5% CAGR rise in EBITDA to Rs. 591.1cr in FY21. EBITDA margin expanded by 341bps over FY19-21 to at 31.4% in FY21. With increased capacity expansion across the facilities, depreciation charge increased by 31.7% CAGR. Finance cost increased exponentially over FY19-21, mainly linked to the higher interest expenses towards the purchase of the API business of the promoter. As a result, reported PAT increased by 34.1% CAGR to Rs. 351.6cr in FY21. PAT margin contracted by 342bps during the period to 18.6% in FY21. GLS reported a positive cash flow from operating activities during the period. Average operating cash flow stood at Rs. 291.6cr during FY20-21. With robust cash flows in excess of the capex requirement, the company repaid financial liabilities, which declined by 9.9% CAGR over FY19-21. Consequently, debt to equity ratio improved from 13.3x in FY19 to 1.3x in FY21. Pre-issue, RoIC and RoE stood at 55.5% and 46.7%, respectively.
- Going forward, based on our quick estimate, we are anticipating an 18.7% CAGR rise in the top-line over FY21-24 to Rs. 3,154.2cr in FY24E. EBITDA and PAT margin are expected to expand by 333bps and 594bps, respectively, to 34.7% and 24.6% in FY24E. Bottom-line will be boosted by lower finance costs, which in-turn resulting from the utilization of IPO proceeds to lower the related parties financial liabilities.

At higher price band of Rs. 720, GLS is demanding a P/E valuation of 25.1x (to its restated FY21 EPS of Rs. 28.7), which is at discount to the peer average of 37.5x. However, based on the forecasted FY24E earnings, the demanded valuation comes out to be 11.4x, which seems to be attractive for a company generating a RoE of around 20%. Thus, considering the business growth outlook and almost stable operating margins, we assign a “**SUBSCRIBE**” rating for the issue.

## About the issue:

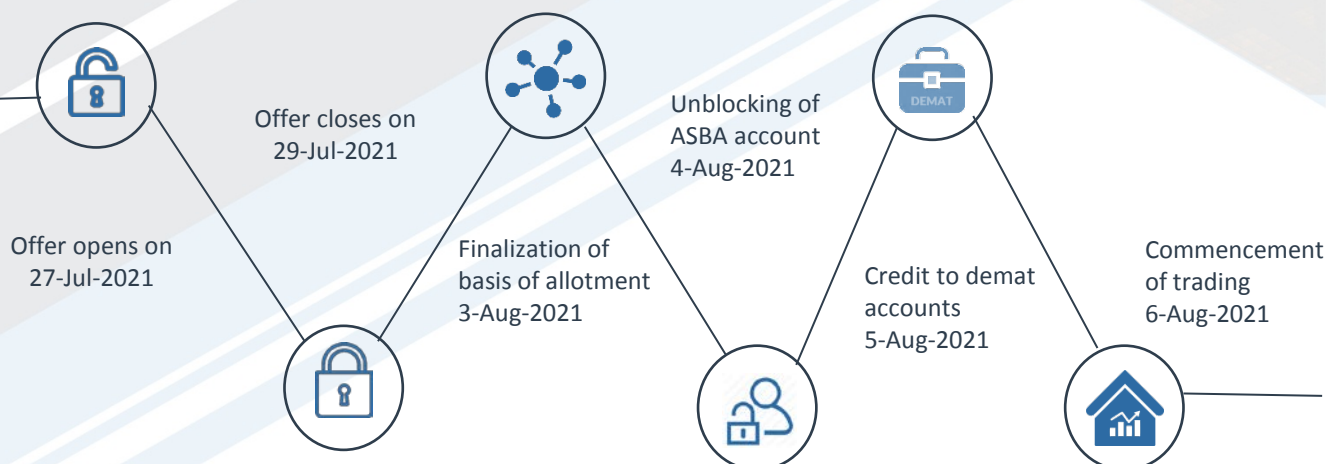
- GLS is coming up with an initial public offering (IPO) with 2.102 - 2.155cr shares (fresh issue: 1.472 - 1.525cr shares; OFS shares: 0.630cr shares) in offering. The offer represents around 17.16% of its post issue paid-up equity shares of the company. Total IPO size is Rs. Rs. 1,497.9 - 1,513.6cr.
- The issue will open on 27<sup>th</sup> Jul. 2021 and close on 29<sup>th</sup> Jul. 2021.
- The issue is through book building process with a price band of Rs. 695 - 720 per share.
- The issue is a combination of fresh and OFS. The company will not receive any proceeds from the OFS portion. Of the net proceeds from the fresh issue, Rs. 800cr will be utilized for the payment of outstanding purchase consideration to the promoter for the spin-off of their API business into the company, another Rs. 152.8cr will be used to fund the capital expenditure requirements.
- 50% of the net issue shall be allocated on a proportionate basis to qualified institutional buyers, while rest 15% and 35% is reserved for non-institutional bidders and retail investors, respectively.
- Promoter currently holds 100.00% stake in the company and post-IPO this will come down to 82.84%. Public holding will increase from current nil to 17.16%.

### Pre and post-issue shareholding pattern (%)

	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group (%)	100.00%	82.84%
Public (%)	0.00%	17.16%

Source: Choice Equity Broking

## Indicative IPO process time line:





## Financial performance:

**Performance over FY19-21:** On financial performance front, GLS has demonstrated a solid business growth with consistency in the profitability margins. On the back of increased sales of APIs over FY19-21, the company has reported a 45.8% CAGR rise in the operating revenue to Rs. 1,885.2cr in FY21. Business from domestic markets increased at 71.6% CAGR as compared to overseas business growth of 25.6% CAGR. In FY21, around 60% of the business was from domestic market, rest from the overseas markets.

Total operating expenditure increased by 42.3% CAGR (lower than top-line growth), thereby leading to a 54.5% CAGR rise in EBITDA to Rs. 591.1cr in FY21. EBITDA margin expanded by 341bps over FY19-21 to at 31.4% in FY21.

With increased capacity expansion across the facilities, depreciation charge increased by 31.7% CAGR. Finance cost increased exponentially over FY19-21, mainly linked to the higher interest expenses towards the purchase of the API business of the promoter. As a result, reported PAT increased by 34.1% CAGR to Rs. 351.6cr in FY21. PAT margin contracted by 342bps during the period to at 18.6% in FY21.

GLS reported a positive cash flow from operating activities during the period. Average operating cash flow stood at Rs. 291.6cr during FY20-21. With robust cash flows in excess of the capex requirement, the company repaid financial liabilities, which declined by 9.9% CAGR over FY19-21. Consequently, debt to equity ratio improved from 13.3x in FY19 to 1.3x in FY21. Pre-issue, RoIC and RoE stood at 55.5% and 46.7%, respectively.

Financial snapshot (Rs. cr)	FY18	FY19	FY20	FY21	CAGR over FY19-21 (%)	Y-o-Y (% Annual)
Revenue from operations	0.2	886.4	1,537.3	1,885.2	45.8%	22.6%
EBITDA	(0.0)	247.7	472.0	591.1	54.5%	25.2%
Reported PAT	(0.4)	195.6	313.1	351.6	34.1%	12.3%
Restated adjusted EPS	(0.0)	16.0	25.6	28.7	34.1%	12.3%
Cash flow from operating activities	(0.5)	10.4	195.0	388.1	512.3%	99.0%
NOPLAT	(0.0)	202.5	339.0	424.2	44.7%	25.1%
FCF		660.8	14.8	64.6	-68.7%	335.2%
RoIC (%)	1.0%	233.0%	82.8%	55.5%		(2,728) bps
Revenue growth rate (%)			73.4%	22.6%		
EBITDA growth rate (%)			90.5%	25.2%		
EBITDA margin (%)	-5.6%	27.9%	30.7%	31.4%	341 bps	65 bps
EBIT growth rate (%)			93.7%	26.0%		
EBIT margin (%)	-5.6%	25.8%	28.8%	29.6%	381 bps	79 bps
Restated reported PAT growth rate (%)			60.1%	12.3%		
Restated reported PAT margin (%)	-175.4%	22.1%	20.4%	18.6%	(342) bps	(172) bps
Inventory days	165.1	207.7	215.1	186.7	-5.2%	-13.2%
Debtor days	45.6	92.3	129.0	121.8	14.9%	-5.6%
Payable days	(56.5)	(94.7)	(101.5)	(85.1)	-5.2%	-16.1%
Cash conversion cycle	154.3	205.2	242.6	223.3	4.3%	-7.9%
Fixed asset turnover ratio (x)	248.0	1.7	2.8	3.2	39.5%	16.4%
Total asset turnover ratio (x)	2.9	0.6	0.9	0.9	25.3%	6.0%
Current ratio (x)	0.1	0.7	0.9	1.1	30.3%	29.1%
Debt to equity (x)	(1.0)	13.3	2.7	1.3	-69.2%	-52.5%
Net debt to EBITDA (x)	(103.1)	4.7	2.3	1.4	-45.3%	-37.0%
RoE (%)	31.1%	221.9%	77.9%	46.7%		(3,124) bps
RoA (%)	-511.8%	13.3%	18.1%	17.6%	435 bps	(54) bps
RoCE (%)	1.0%	240.5%	105.8%	71.9%		(3,395) bps

Note: Ratios calculated on pre-issue data; Source: Choice Equity Broking



### Competitive strengths:

- Leadership in select high value, non-commoditized APIs in chronic therapeutic areas
- Strong relationships with leading global generic companies
- Quality-focused compliant manufacturing and R&D infrastructure
- Strong focus on sustainability in operations
- Cost leadership across products through careful monitoring and continuous effort
- Experienced management team with proven track record

### Business strategy:

- Expand the geographic focus, API portfolio and scope of the operations
- Growing the CDMO business
- Expanding the production capacities
- Improving financial performance through focus on operational efficiencies



### Risk and concerns:

- Unfavorable government policies
- Difficulties in new client addition
- Unfavorable forex movements
- Unfavorable movements in key raw material prices
- Competition

## Financial statements:

### Profit and loss statement (Rs. cr)

	FY18	FY19	FY20	FY21	CAGR over FY19 - 21 (%)	Annual growth over FY20 (%)
<b>Revenue from operations</b>	<b>0.2</b>	<b>886.4</b>	<b>1,537.3</b>	<b>1,885.2</b>	<b>45.8%</b>	<b>22.6%</b>
Cost of materials consumed	(0.0)	(653.9)	(695.1)	(976.2)	22.2%	40.4%
Changes in inventories of finished goods and work-in-process	(0.0)	301.6	4.6	70.7	-51.6%	1423.1%
<b>Gross profit</b>	<b>0.2</b>	<b>534.1</b>	<b>846.9</b>	<b>979.7</b>	<b>35.4%</b>	<b>15.7%</b>
Employee benefits expense	(0.2)	(106.3)	(142.3)	(149.1)	18.5%	4.8%
Other expenses	(0.0)	(180.1)	(232.6)	(239.5)	15.3%	2.9%
<b>EBITDA</b>	<b>(0.0)</b>	<b>247.7</b>	<b>472.0</b>	<b>591.1</b>	<b>54.5%</b>	<b>25.2%</b>
Depreciation and amortization expense	0.0	(19.3)	(29.4)	(33.4)	31.7%	13.7%
<b>EBIT</b>	<b>(0.0)</b>	<b>228.5</b>	<b>442.6</b>	<b>557.7</b>	<b>56.2%</b>	<b>26.0%</b>
Finance costs		(0.6)	(33.5)	(87.5)	1102.9%	161.2%
Other income		0.4	12.0	0.8	35.2%	-93.2%
<b>PBT</b>	<b>(0.0)</b>	<b>228.3</b>	<b>421.1</b>	<b>470.9</b>	<b>43.6%</b>	<b>11.8%</b>
Tax expenses	(0.4)	(32.7)	(108.0)	(119.4)	91.0%	10.6%
<b>Reported PAT</b>	<b>(0.4)</b>	<b>195.6</b>	<b>313.1</b>	<b>351.6</b>	<b>34.1%</b>	<b>12.3%</b>

### Balance sheet statement (Rs. cr)

	FY18	FY19	FY20	FY21	CAGR over FY18 - 21 (%)	Annual growth over FY20 (%)
Equity share capital	0.0	2.0	2.0	2.0	0.0%	0.0%
Other equity	(1.4)	86.2	399.7	750.8	195.2%	87.8%
Net deferred tax liabilities		6.9	16.4	22.9	82.7%	39.2%
Current borrowings		0.0	0.0		-100.0%	-100.0%
Other current financial liabilities	1.5	1,176.3	1,073.7	955.1	-9.9%	-11.0%
Trade payables	0.0	182.9	201.1	221.3	10.0%	10.1%
Current provisions	0.0	14.0	14.0	19.9	19.0%	42.3%
Net current tax liabilities		2.4	8.4	13.7	141.2%	63.8%
Other current liabilities	0.0	4.8	10.4	11.5	54.6%	10.4%
<b>Total liabilities</b>	<b>0.1</b>	<b>1,475.4</b>	<b>1,725.6</b>	<b>1,997.1</b>	<b>16.3%</b>	<b>15.7%</b>
Property, plant and equipment	0.0	450.0	539.1	564.9	12.0%	4.8%
Intangible assets		6.3	7.2	7.9	11.8%	10.4%
Capital work-in-progress		80.3	10.7	14.1	-58.1%	31.4%
Intangible Assets under development		0.1				
Non current investments		0.1	0.1	0.1	0.0%	0.0%
Other non current financial assets		7.9	8.4	8.5	4.0%	1.4%
Non current net tax asset				1.2		
Other non current assets		0.0	0.0	1.4	585.6%	27160.0%
Inventories	0.0	400.8	412.8	513.4	13.2%	24.4%
Trade receivables	0.0	448.1	638.6	619.5	17.6%	-3.0%
Cash and cash equivalents	0.0	2.1	10.0	115.6	648.9%	1056.2%
Other current financial assets	0.0	5.8	20.8	27.6	118.3%	32.8%
Other current assets	0.0	73.9	77.9	122.9	29.0%	57.7%
<b>Total assets</b>	<b>0.1</b>	<b>1,475.4</b>	<b>1,725.6</b>	<b>1,997.1</b>	<b>16.3%</b>	<b>15.7%</b>

Source: Choice Equity Broking



## Financial statements:

### Cash flow statement (Rs. cr)

Particulars (Rs. mn)	FY18	FY19	FY20	FY21	CAGR over FY19 - 21 (%)	Annual growth over FY20 (%)
Cash flow before working capital changes	(0.0)	127.1	477.8	604.3	118.0%	26.5%
Working capital changes	(0.5)	(93.3)	(190.3)	(107.6)	7.4%	-43.5%
<b>Cash flow from operating activities</b>	<b>(0.5)</b>	<b>10.4</b>	<b>195.0</b>	<b>388.1</b>	<b>512.3%</b>	<b>99.0%</b>
Purchase of property , plant & equipment		(9.3)	(51.2)	(68.0)	170.0%	32.9%
<b>Cash flow from investing activities</b>		<b>(8.9)</b>	<b>(50.5)</b>	<b>(68.7)</b>	<b>177.7%</b>	<b>36.1%</b>
<b>Cash flow from financing activities</b>	<b>0.5</b>	<b>0.5</b>	<b>(136.6)</b>	<b>(213.8)</b>		<b>56.6%</b>
<b>Net cash flow</b>	<b>0.0</b>	<b>2.0</b>	<b>7.9</b>	<b>105.6</b>	<b>631.6%</b>	<b>1230.5%</b>
Opening balance of cash	0.0	0.1	2.1	10.0	965.9%	385.1%
<b>Closing balance of cash</b>	<b>0.0</b>	<b>2.1</b>	<b>10.0</b>	<b>115.6</b>	<b>648.9%</b>	<b>1056.2%</b>

### Financial ratios

Particulars (Rs. mn)	FY18	FY19	FY20	FY21
Revenue growth rate (%)			73.4%	22.6%
EBITDA growth rate (%)			90.5%	25.2%
EBITDA margin (%)	-5.6%	27.9%	30.7%	31.4%
EBIT growth rate (%)			93.7%	26.0%
EBIT margin (%)	-5.6%	25.8%	28.8%	29.6%
Restated reported PAT growth rate (%)			60.1%	12.3%
Restated reported PAT margin (%)	-175.4%	22.1%	20.4%	18.6%

### Turnover ratios

	FY18	FY19	FY20	FY21
Inventories turnover ratio (x)	6.5	4.4	3.8	4.1
Trade receivable turnover ratio (x)	8.0	4.0	2.8	3.0
Accounts payable turnover ratio (x)	19.1	9.7	8.0	8.9
Fixed asset turnover ratio (x)	248.0	1.7	2.8	3.2
Total asset turnover ratio (x)	2.9	0.6	0.9	0.9

### Return ratios

	FY18	FY19	FY20	FY21
RoE (%)	31.1%	221.9%	77.9%	46.7%
RoA (%)	-511.8%	13.3%	18.1%	17.6%
RoCE (%)	1.0%	240.5%	105.8%	71.9%

### Per share data

	FY18	FY19	FY20	FY21
Restated adjusted EPS (Rs.)	(0.0)	16.0	25.6	28.7
DPS (Rs.)	0.0	0.0	0.0	0.0
BVPS (Rs.)	(0.1)	7.2	32.8	61.4
Operating cash flow per share (Rs.)	(0.0)	0.8	15.9	31.7
Free cash flow per share (Rs.)		53.9	1.2	5.3
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%

Note: Ratios calculated on pre-issue data; Source: Choice Equity Broking

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