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# IPO REPORT

**“Subscribe with Caution” to  
Computer Age Management Services Ltd.**

Fundamentals positive, but issue seems to be fully priced

## Salient features of the IPO:

- Chennai-headquartered **Computer Age Management Services Ltd.** (CAMS), co-owned by NSE Investments, Warburg Pincus, Faering Capital, ACSYS Investments and HDFC Group - is a technology-driven financial infrastructure & services provider to mutual funds and other financial institutions.
- The company planning to raise up to Rs. 22,443mn through an IPO, which will open on 21<sup>st</sup> Sept. and close on 23<sup>rd</sup> Sept. 2020. The price band is Rs. 1,229 - 1,230 per share.
- On the direction of SEBI, NSE is fully divesting its stake in the company through this IPO. The issue is complete OFS and thus CAMS will not receive any proceeds from it.

## Key competitive strengths:

- Largest infrastructure and services provider in a large and growing mutual funds market
- Integrated business model and longstanding client relationships in mutual funds services business
- Scalable technology enabled ecosystem
- Strong focus on processes and risk management
- Experienced management & board and marquee shareholders

## Risk and concerns:

- Subdued economic growth and poor financial investment market
- Unfavorable change in the mutual fund AUM composition
- Consolidation in the mutual fund industry
- Decline in retail SIPs and accelerated withdrawals or redemptions
- Unfavorable regulatory environment
- Inability to maintain the profitability levels

**Peer comparison and valuation:** There are no listed peers, whose business operations are comparable to CAMS. Central Depository Services (India) Ltd. (CDSL) performs one of the functions similar to CAMS, so it can be considered as a proxy peer. At the higher price band of Rs. 1,230 per share, CAMS's share is valued at a TTM P/E multiple of 34.5x, as compared to 40.5x TTM P/E multiple of CDSL.

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

- Mutual fund assets in India have seen robust growth, especially in recent years, driven by a growing investor base, increasing penetration across geographies, strong growth of the capital markets, technological progress and regulatory efforts aimed at making mutual fund products more transparent & investor friendly. Quarterly AAUM (average assets under management) of the mutual fund industry has grown by 13.4% CAGR to Rs. 27tn in Mar. 2020 from Rs. 7.6tn in Mar. 2010. Moreover, mutual fund AUM as a percent of GDP rose from 4.3% in FY02 to approximately 11% in FY20. Despite the remarkable growth, the penetration of the mutual fund is significantly lower at 12% in 2019 as compared to world average of 63%. (Source: RHP)
- Due to pandemic led destruction, mutual fund quarterly AAUM growth is expected to be near-flat for FY21. However, post FY21, quarterly AAUMs are expected to gradually bounce back and grow to approximately Rs. 52tn by Mar. 2025 (i.e. a growth of around 18% CAGR between Mar. 2021 and Mar. 2025). This establishes a promising future for the associated registrar & transfer agents (RTA) operating in India like CAMS. (Source: RHP)
- According to Crisil Research, the RTA industry is estimated to have grown at a 17% CAGR in the past five years to a size of Rs. 9bn in FY20. After the onset of COVID-19 in H1 FY21, business growth is expected to be muted in FY21, but is expected to grow at a 15% CAGR up to FY25 to reach at a size of about Rs. 17.6bn.

Recommendation	Subscribe with Caution
Price band	Rs. 1,229 - 1,230 per Share
Face value	Rs. 10
Shares for fresh issue	Nil
Shares for OFS	18.247mn shares
Fresh issue size	N/a
OFS issue size	Rs. 22,425.1 - 22,443.3mn
Total issue size	18.247mn shares (Rs. 22,425.1 - 22,443.3mn)
Reserved for eligible employees	0.183mn shares
Net issue size	18.064mn shares (Rs. 22,200.8 - 22,218.8mn)
Bidding date	21 <sup>st</sup> Sept. - 23 <sup>rd</sup> Sept. 2020
Market Capitalization at higher price band	Rs. 60,008mn
Enterprise value at higher price band	Rs. 56,013mn
Book running lead manager	Kotak Mahindra Capital Company Ltd., HDFC Bank Ltd., ICICI Securities Ltd. and Nomura Financial Advisory and Securities (India) Pvt. Ltd.
Registrar	Link Intime India Pvt. Ltd.
Sector/Industry	Fintech services
Promoters	Great Terrain Investment Ltd.

## Issue breakup

Category	Percent of issue (%)	Number of shares (mn)
QIB portion	50%	9.032mn shares
Non institutional portion	15%	2.710mn shares
Retail portion	35%	6.322mn shares

## Indicative IPO process time line

Finalization of basis of allotment	28 <sup>th</sup> Sept. 2020
Unblocking of ASBA account	29 <sup>th</sup> Sept. 2020
Credit to demat accounts	30 <sup>th</sup> Sept. 2020
Commencement of trading	1 <sup>st</sup> Oct. 2020

## Pre and post - issue shareholding pattern

	Pre - Issue	Post - Issue
Promoter & Promoter Group	30.98%	30.98%
Public	69.02%	69.02%
<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	12
Employees discount	Rs. 122 per share
Application Money	Rs. 14,760 per Lot

## Analyst

### Raj Nath Yadav

Research Analyst (022 - 6707 9999; Ext: 912)

Email: [rajnath.yadav@choiceindia.com](mailto:rajnath.yadav@choiceindia.com)

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

Company name	Face value (Rs.)	CMP (Rs.)	MCAP (Rs. mn)	EV (Rs. mn)	Stock return (%)				Operating revenue (Rs. mn)	EBITDA (Rs. mn)	PAT (Rs. mn)	EBITDA margin (%)	PAT margin (%)
					1 W	1 M	3 M	1 Y					
<b>Computer Age Management Services Ltd.</b>	<b>10</b>	<b>1,230</b>	<b>60,008</b>	<b>56,013</b>					<b>6,733</b>	<b>2,706</b>	<b>1,741</b>	<b>40.2%</b>	<b>25.9%</b>
Central Depository Services (India) Ltd.	10	486	50,818	46,369	33.7%	77.3%	125.6%	134.3%	2,319	1,044	1,254	45.0%	54.1%
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>Computer Age Management Services Ltd.</b>	<b>35.7</b>	<b>108.3</b>	<b>19.7</b>	<b>0.0</b>	<b>0.8</b>	<b>33.0%</b>	<b>33.4%</b>	<b>34.5</b>	<b>11.4</b>	<b>8.3</b>	<b>20.7</b>	<b>8.9</b>	<b>2.9%</b>
Central Depository Services (India) Ltd.	12.0	69.3	4.8	0.0	0.3	17.3%	12.1%	40.5	7.0	20.0	44.4	21.9	2.5%

Note: All financial data are on TTM basis; Source: Choice Broking Research

- CAMS is India's largest RTA of mutual funds with an aggregate market share of approximately 70% based on mutual fund AAUM managed by its clients and serviced by it during Jul. 2020. The company has maintained a market share of around 50% for a decade and half, which later with the consolidation in the industry started inching up to the current level. It generates 87% of the revenue by providing services to the mutual fund industry, while rest from other services.
- Presently the mutual fund RTA market is largely characterized by duopoly, with top two players controlling more than 95% of the market. Second largest player is KFin Technologies Pvt. Ltd. with a market share of 27% as on 30<sup>th</sup> Jun. 2020.
- The company's mutual fund clients include four of the five largest mutual funds as well as nine of the 15 largest mutual funds based on AAUM during Jul. 2020. As on 30<sup>th</sup> Jun. 2020, it had 16 mutual fund clients with an aggregate of over 71.8mn accounts held by such clients.
- As of 30<sup>th</sup> Jun. 2020, the company on average has maintained relationship of around 18 years with top four mutual funds and an average relationship of 19 years with its top ten largest mutual fund clients. In the last five years, it has lost one mutual fund, mainly on account of merger of fund with another mutual fund, which was serviced by its competitor. Because of its diversified portfolio of technology enabled services, CAMS is able to maintain the client longevity.
- CAMS deliver its RTA services via a proprietary technology platform, which is scalable and can absorb number of investors, assets and trading volume. In FY15, this platform handled over 98mn transactions, which got ramped up to over 328mn transactions in FY20.
- Besides mutual fund service business, CAMS also has presence in insurance repository business. Based on e-insurance policies being managed by it, the company had a market share of 39% in FY18. According to the management, this segment is the future growth drive and may be at a growth inflection point in next 4-5 years. It has also launched CAMSPay, which is an end-to-end highly automated National Automated Clearing House platform that supports electronic payments through the National Payments Corporation of India platform.
- On the back of higher AUM levels managed by the mutual funds, CAMS reported a 4.4% CAGR rise in consolidated top-line over FY18-20 to Rs. 6,996.3mn in FY20. EBITDA increased by 5.4% CAGR to Rs. 2,872.8mn in FY20. During the period, EBITDA margin expanded by 78bps to 41.1% in FY20. Consolidated PAT increased by 9% CAGR to Rs. 1,734.2mn in FY20. PAT margin expanded by 204bps over FY18-20 to 24.8% in FY20. The company had a positive operating cash flow over FY18-20, which increased by 11.4% CAGR. Average operating cash flow during the period was at around Rs. 1,833mn. Average RoIC and RoE during the period stood at 23.9% and 31.5%, respectively.
- In Q1 FY21, overall business was impacted by the Covid-19 led lockdown, which impacted the equity market valuations and also paper based transactions. As a result, Q1 FY21 top-line declined by 15.1% Y-o-Y to Rs. 1,486.3mn. EBITDA declined by 24.5% with 431bps Y-o-Y contraction in margin. PAT increased by 1.8% Y-o-Y to Rs. 408.3mn with 455bps Y-o-Y expansion in margin to 27.5%.
- According to the management, debt & liquid AUM of mutual funds are at a Feb. 2020 levels, while equity AUM is down 5-6%. We are anticipating a gradual recovery in mutual AUMs and thus forecasting a fall in the business of CAMS in FY21. However, post FY21, there will be a secular growth in the company's business mirroring the AUM growth of mutual funds.
- Based on our quick conservative estimate, we are estimating a 2.7% CAGR rise in top-line over FY20-23 to Rs. 7,579.1mn in FY23. EBITDA and PAT are anticipated to grow by 1.5% and 6.4%, respectively. EBITDA margin is likely to contract by 139bps to 39.7% in FY23, while PAT margin is expected to expand by 277bps to 27.6% in FY23.
- There are no listed peers, whose business operations are comparable to CAMS. Central Depository Services (India) Ltd. (CDSL) performs one of the functions similar to CAMS, so it can be considered at a proxy peer. At the higher price band of Rs. 1,230 per share, CAMS's share is valued at a TTM P/E multiple of 34.5x, as compared to 40.5x TTM P/E multiple of CDSL.

The macros of mutual fund RTA is positive and is likely to witness a secular growth trend. CAMS have an asset light business model in the duopoly RTA market. It has debt free operations and demonstrated almost stable financial performance with significant cash flow generation. Also it is a consistent dividend paying company with an average payout ratio of over 55%. Despite positive fundamentals, we believe the demanded valuation is little stretched, so we assign a **"Subscribe with Caution"** rating for the issue.

## About the issue:

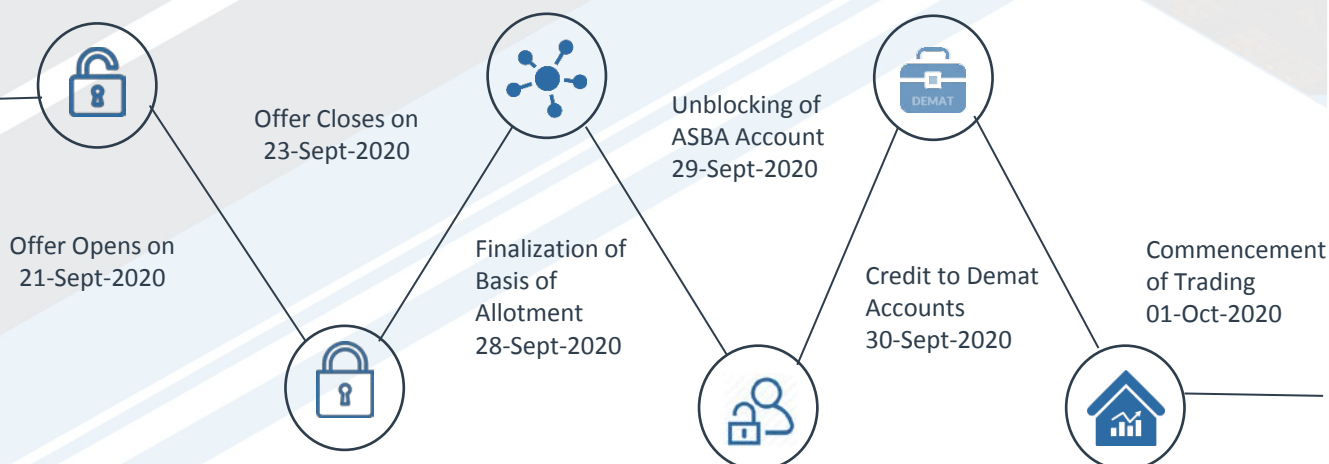
- CAMS is coming up with an IPO with 18.247mn shares (fresh issue: nil; OFS shares: 18.247mn shares) in offering. The offer represents around 37.4% of its post issue paid-up equity shares of the company. Total IPO size is Rs. 22,425.1 - 22,443.3mn.
- The issue will open on 21<sup>th</sup> Sept. 2020 and close on 23<sup>rd</sup> Sept. 2020.
- The issue is through book building process with a price band of Rs. 1,229 – 1,230 per share.
- 0.183mn shares are reserved for eligible employees and the discount given is Rs. 122 per share.
- Consequently, the net issue size is Rs. 22,200.8 - 22,218.8mn, comprising of 18.064mn.
- On the direction of SEBI, NSE is fully divesting its stake in the company through this IPO. The issue is complete OFS and thus CAMS will not receive any proceeds from it.
- 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 holds 30.98% stake in the company and will remain the same post-IPO. Current public holding is 69.02% and will remain same post-IPO.

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

	Pre Issue	Post Issue (at higher price band)
Promoter & Promoter Group	30.98%	30.98%
Public	69.02%	69.02%

Source: Choice Equity Broking

## Indicative IPO process time line:



## Company introduction:

CAMS is a technology-driven financial infrastructure and services provider to mutual funds and other financial institutions with over two decades of experience. It is India's largest RTA of mutual funds with an aggregate market share of about 70% based on mutual fund AAUM managed by its clients and serviced by it during Jul. 2020. Over the last five years, based on AAUM serviced - the company has grown its market share from approximately 61% in FY15 to around 70% by FY20. CAMS's mutual fund clients include four of the five largest mutual funds as well as nine of the 15 largest mutual funds based on AAUM during Jul. 2020.

With the initiative of creating an end-to-end value chain of services, CAMS has grown its service offerings and currently provide a comprehensive portfolio of technology based services, such as transaction origination interface, transaction execution, payment, settlement & reconciliation, dividend processing, investor interface, record keeping, report generation, intermediary empanelment & brokerage computation and compliance related services, through its pan-India network to mutual fund clients, distributors and investors. The company also provide certain services to alternative investment funds, insurance companies, banks and non-banking finance companies.

The nature of its services to mutual funds spans multiple facets of their relationship with their investors, distributors and regulators. By providing a range of services, CAMS play an important role in developing and maintaining its client's market perception. As of Jul. 2020, it has serviced Rs. 19.2tn of AAUM of 16 mutual fund clients, which had 19.77mn SIP accounts. Growth in the client's AUM is important for the company, as a substantial portion of its business from mutual funds are linked to AAUM of its clients.

Over the years, CAMS has leveraged its domain expertise, processes and infrastructure to diversify its service offerings to a variety of other financial services sectors.

- In its electronic payment collections services business, the company manages mandated transactions, including registering of mandates, initiation of collections, reconciliation and the related reporting services for mutual funds, non-banking finance companies and banks.
- In insurance services business, the company offers processing of new business applications, holding policies in dematerialized form, servicing policies and other support functions to insurance companies. Based on e-insurance policies managed in FY18, CAMS had a market share of 39% of the insurance repository business.
- In its alternative investment funds services business, the company provides services to investors, manage records and perform fund accounting and reporting, among other services, for alternative investment and other types of funds.
- In banking and non-banking services business, it offers digitization of account opening, facilitation of loan processing and back-office processing services to banking and non-banking financial institutions.
- In KYC registration agency business, CAMS verifies and maintains KYC records of investors for use by financial institutions.
- In software solutions business, its technology team develops software for mutual funds services business and for mutual fund companies.

CAMS offer an integrated and customized portfolio of services through its pan-India physical network comprising 271 service centers spread over 25 states and five union territories, which are supported by call centers in four major cities, four back offices (including a disaster recovery site), all having real time connectivity, continuous availability and data replication and redundancy. Further, the company offers many of its services online and through its several mobile device applications, to investors, clients, their distributors and their channel providers. The continued development of proprietary platforms and applications has furthered its competitive technology advantage.

**Competition:** The markets for RTA services are highly competitive. CAMS competes with a number of entities that provide similar services in each of the business lines in which it operates. It competes on the basis of a number of factors, including depth of service offerings, innovation, reputation, price and convenience. Its primary competitor for mutual funds services business is Kfin Technologies Pvt. Ltd.

## Company introduction (Contd...):

**Financial performance:** On the back of higher AUM levels managed by the mutual funds, CAMS reported a 4.4% CAGR rise in consolidated top-line over FY18-20 to Rs. 6,996.3mn in FY20. In Q1 FY21, overall business was impacted by the Covid-19 led lockdown, which impacted the equity market valuations and also paper based transactions. As a result, Q1 FY21 top-line declined by 15.1% Y-o-Y to Rs. 1,486.3mn. On TTM basis, top-line stood at Rs. 6,732.5mn.

Employee expense (which formed around an average 37% of the top-line over FY18-20), increased by 6.8% CAGR, while other expenses declined by 0.8% CAGR. As a result, total operating expenditure increased by 3.7% CAGR (a rate lower than top-line growth). Consolidated EBITDA increased by 5.4% CAGR to Rs. 2,872.8mn in FY20. During the period, EBITDA margin expanded by 78bps to 41.1% in FY20. Q1 FY21 EBITDA declined by 24.5% with 431bps Y-o-Y contraction in margin. TTM EBITDA stood at Rs. 2,706.1mn with a margin of 40.2%.

Depreciation charge and finance cost increased by 9.8% and 10.9%, respectively. Other income increased by 15.5% CAGR, leading to a 9% CAGR higher consolidated reported PAT to Rs. 1,734.2mn in FY20. PAT margin expanded by 204bps over FY18-20 to 24.8% in FY20. Q1 FY21 PAT increased by 1.8% Y-o-Y to Rs. 408.3mn with 455bps Y-o-Y expansion in margin to 27.5%. TTM PAT stood at Rs. 1,741.3mn with 25.9% margin.

The company had a positive operating cash flow over FY18-20, which increased by 11.4% CAGR. Average operating cash flow during the period was at around Rs. 1,833mn. It is a consistent dividend paying company with an average payout ratio of over 55%. Average RoIC and RoE during the period stood at 23.9% and 31.5%, respectively.

Consolidated financial snapshot (Rs. mn)	FY18	FY19	FY20	Q1 FY20	Q1 FY21	TTM	CAGR (%)	Annual Y-o-Y (%)	Quarterly Y-o-Y
Revenue from operations	6,415.4	6,936.4	6,996.3	1,750.1	1,486.3	6,732.5	4.4%	0.9%	-15.1%
EBITDA	2,584.3	2,435.8	2,872.8	681.1	514.5	2,706.1	5.4%	17.9%	-24.5%
Reported PAT	1,459.5	1,304.5	1,734.2	401.1	408.3	1,741.3	9.0%	32.9%	1.8%
Restated adjusted EPS	29.9	26.7	35.5	8.2	8.4	35.7	9.0%	32.9%	1.8%
Cash flow from operating activities	1,619.5	1,868.0	2,011.5	349.9	389.7	2,051.3	11.4%	7.7%	11.4%
NOPLAT	1,362.7	1,196.7	1,764.8	370.1	301.8	1,695.1	13.8%	47.5%	-18.5%
FCF		1,218.6	880.3					-27.8%	
RoIC (%)	24.4%	21.0%	26.4%	6.4%	4.7%	26.3%	201 bps	534 bps	(174) bps
Revenue growth rate (%)		8.1%	0.9%		-15.1%				
EBITDA growth rate (%)		-5.7%	17.9%		-24.5%				
EBITDA margin (%)	40.3%	35.1%	41.1%	38.9%	34.6%	40.2%	78 bps	595 bps	(431) bps
EBIT growth rate (%)		-11.5%	23.6%		-27.7%				
EBIT margin (%)	34.0%	27.9%	34.1%	32.3%	27.4%	33.1%	12 bps	628 bps	(481) bps
Restated adjusted PAT growth rate (%)		-10.6%	32.9%		1.8%				
Restated adjusted PAT margin (%)	22.7%	18.8%	24.8%	22.9%	27.5%	25.9%	204 bps	598 bps	455 bps
Fixed asset turnover ratio (x)	2.0	2.2	2.3	0.6	0.5	2.4	8.7%	8.1%	-6.3%
Total asset turnover ratio (x)	0.9	0.9	0.9	0.2	0.2	0.8	-2.6%	-7.5%	-23.3%
Current ratio (x)	3.3	2.9	4.3	2.9	3.2	3.2	14.6%	49.2%	10.4%
Debt to equity (x)	0.0	0.0	0.0	0.0	0.0	0.0			
Net debt to EBITDA (x)	(0.9)	(1.1)	(1.2)	(4.3)	(7.8)	(1.5)	14.7%	10.2%	79.9%
RoE (%)	32.9%	29.6%	32.1%	8.8%	7.7%	33.0%	(78) bps	256 bps	(103) bps
RoA (%)	20.9%	17.7%	21.6%	5.3%	4.9%	20.8%	69 bps	389 bps	(43) bps
RoCE (%)	36.7%	32.0%	34.6%	9.2%	6.1%	33.4%	(213) bps	262 bps	(312) bps

Source: Choice Equity Broking



## Competitive strengths:

- Largest infrastructure and services provider in a large and growing mutual funds market
- Integrated business model and longstanding client relationships in mutual funds services business
- Scalable technology enabled ecosystem
- Strong focus on processes and risk management
- Experienced management & board and marquee shareholders

## Business strategy:

- Maintain leadership position by enhancing service offerings to mutual fund clients
- Continue the technology-led services innovations
- Achieve leadership in individual businesses and then target scale
- Improve automation in the businesses



## Risk and concerns:

- Subdued economic growth and poor financial investment market
- Unfavorable change in the mutual fund AUM composition
- Consolidation in the mutual fund industry
- Decline in retail SIPs and accelerated customer withdrawals or redemptions
- Unfavorable regulatory environment
- Inability to maintain the profitability levels

## Financial statements:

### Consolidated profit and loss statement (Rs. mn)

	FY18	FY19	FY20	Q1 FY20	Q1 FY21	TTM	CAGR over FY18-20 (%)	Annual growth over FY19 (%)	Quarterly growth over Q1 FY20 (%)
<b>Revenue from operations</b>	<b>6,415.4</b>	<b>6,936.4</b>	<b>6,996.3</b>	<b>1,750.1</b>	<b>1,486.3</b>	<b>6,732.5</b>	<b>4.4%</b>	<b>0.9%</b>	<b>-15.1%</b>
Employee benefits expense	(2,263.3)	(2,746.2)	(2,579.9)	(651.2)	(645.5)	(2,574.2)	6.8%	-6.1%	-0.9%
Operating expenses	(940.8)	(1,058.2)	(866.1)	(243.9)	(168.0)	(790.2)	-4.1%	-18.2%	-31.1%
Other expenses	(627.0)	(696.3)	(677.5)	(173.8)	(158.3)	(662.1)	4.0%	-2.7%	-8.9%
<b>EBITDA</b>	<b>2,584.3</b>	<b>2,435.8</b>	<b>2,872.8</b>	<b>681.1</b>	<b>514.5</b>	<b>2,706.1</b>	<b>5.4%</b>	<b>17.9%</b>	<b>-24.5%</b>
Depreciation and amortization expense	(402.4)	(504.0)	(485.1)	(116.7)	(106.7)	(475.0)	9.8%	-3.7%	-8.6%
<b>EBIT</b>	<b>2,181.9</b>	<b>1,931.8</b>	<b>2,387.7</b>	<b>564.4</b>	<b>407.8</b>	<b>2,231.1</b>	<b>4.6%</b>	<b>23.6%</b>	<b>-27.7%</b>
Finance costs	(78.9)	(104.7)	(97.0)	(20.5)	(23.4)	(100.0)	10.9%	-7.3%	14.3%
Other income	162.8	181.6	217.1	54.7	148.4	310.8	15.5%	19.5%	171.1%
<b>PBT</b>	<b>2,265.8</b>	<b>2,008.7</b>	<b>2,507.8</b>	<b>598.6</b>	<b>532.7</b>	<b>2,441.9</b>	<b>5.2%</b>	<b>24.8%</b>	<b>-11.0%</b>
Tax expenses	(802.8)	(699.8)	(773.2)	(197.1)	(124.5)	(700.6)	-1.9%	10.5%	-36.8%
<b>PAT before minority interest</b>	<b>1,463.0</b>	<b>1,309.0</b>	<b>1,734.6</b>	<b>401.5</b>	<b>408.3</b>	<b>1,741.3</b>	<b>8.9%</b>	<b>32.5%</b>	<b>1.7%</b>
Minority interest	(3.6)	(4.5)	(0.4)	(0.4)		0.0	-66.9%	-91.3%	
<b>Reported PAT</b>	<b>1,459.5</b>	<b>1,304.5</b>	<b>1,734.2</b>	<b>401.1</b>	<b>408.3</b>	<b>1,741.3</b>	<b>9.0%</b>	<b>32.9%</b>	<b>1.8%</b>

### Consolidated balance sheet statement (Rs. mn)

	FY18	FY19	FY20	Q1 FY20	Q1 FY21	TTM	CAGR over FY18-20 (%)	Annual growth over FY19 (%)	Quarterly growth over Q1 FY20 (%)
<b>Equity share capital</b>	<b>487.6</b>	<b>487.6</b>	<b>487.6</b>	<b>487.6</b>	<b>487.9</b>	<b>487.9</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.1%</b>
Other equity	3,947.6	3,925.3	4,910.5	4,094.0	4,794.1	4,794.1	11.5%	25.1%	17.1%
Minority interest	76.9	81.5				0.0			
Other long term financial liabilities	865.5	839.6	772.1	799.7	645.6	645.6	-5.6%	-8.0%	-19.3%
Long term provisions	566.5	711.5	735.0	733.3	749.7	749.7	13.9%	3.3%	2.2%
Trade payables	335.9	350.0	359.8	348.9	435.8	435.8	3.5%	2.8%	24.9%
Other current financial liabilities	258.4	248.1	259.1	233.5	427.1	427.1	0.1%	4.5%	82.9%
Short term provisions	79.9	170.9	104.4	159.0	142.6	142.6	14.3%	-38.9%	-10.3%
Current net tax liabilities	11.3	19.1		46.4		0.0			
Other current liabilities	348.9	529.8	396.8	642.5	671.8	671.8	6.6%	-25.1%	4.6%
<b>Total liabilities</b>	<b>6,978.5</b>	<b>7,363.2</b>	<b>8,025.4</b>	<b>7,544.8</b>	<b>8,354.5</b>	<b>8,354.5</b>	<b>7.2%</b>	<b>9.0%</b>	<b>10.7%</b>
<b>Property, plant and equipment</b>	<b>700.4</b>	<b>710.3</b>	<b>652.5</b>	<b>672.5</b>	<b>632.7</b>	<b>632.7</b>	<b>-3.5%</b>	<b>-8.1%</b>	<b>-5.9%</b>
Intangible assets	1,465.8	1,518.3	1,446.8	1,502.4	1,424.9	1,424.9	-0.6%	-4.7%	-5.2%
Right of use assets	1,069.3	971.7	885.7	897.9	726.2	726.2	-9.0%	-8.9%	-19.1%
Non current investments	20.3	20.4	5.3	20.8	5.5	5.5	-48.8%	-73.9%	-73.5%
Non current loans	122.5	116.4	122.8	111.6	130.4	130.4	0.1%	5.5%	16.9%
Other long term financial assets	12.2					0.0			
Non current net deferred tax assets	137.8	202.3	83.3	211.2	97.3	97.3	-22.3%	-58.8%	-53.9%
Other long term assets	59.3	18.4	2.9	7.0	2.8	2.8	-77.9%	-84.3%	-60.3%
Trade receivables	225.1	269.7	320.3	439.3	436.4	436.4	19.3%	18.8%	-0.7%
Current investments	2,161.3	2,305.0	3,056.1	2,355.3	3,155.2	3,155.2	18.9%	32.6%	34.0%
Cash and cash equivalents	276.6	435.0	506.6	584.9	839.6	839.6	35.3%	16.4%	43.6%
Current loans	4.5	6.7	5.7	10.3	7.6	7.6	12.4%	-14.2%	-26.2%
Other current financial assets	1.6	3.7	57.8	5.0	58.8	58.8	505.0%	1463.2%	1088.5%
Current net tax assets			150.4		120.0	120.0			
Other current assets	721.8	785.4	729.1	726.8	717.1	717.1	0.5%	-7.2%	-1.3%
<b>Total assets</b>	<b>6,978.5</b>	<b>7,363.2</b>	<b>8,025.3</b>	<b>7,544.8</b>	<b>8,354.6</b>	<b>8,354.6</b>	<b>7.2%</b>	<b>9.0%</b>	<b>10.7%</b>

Source: Choice Equity Broking

## Financial statements:

### Consolidated cash flow statement (Rs. mn)

Particulars (Rs. mn)	FY18	FY19	FY20	Q1 FY20	Q1 FY21	TTM	CAGR over FY18-20 (%)	Annual growth over FY19 (%)	Quarterly growth over Q1 FY20 (%)
Cash flow before working capital changes	2,559.0	2,431.2	2,943.4	684.6	554.3	2,813.0	7.2%	21.1%	-19.0%
Working capital changes	(47.1)	193.0	(101.0)	(157.8)	(56.6)	0.2	46.4%	-152.3%	-64.1%
<b>Cash flow from operating activities</b>	<b>1,619.5</b>	<b>1,868.0</b>	<b>2,011.5</b>	<b>349.9</b>	<b>389.7</b>	<b>2,051.3</b>	<b>11.4%</b>	<b>7.7%</b>	<b>11.4%</b>
Purchase of property, plant & equipment	(427.5)	(350.8)	(151.5)	(10.7)	(14.2)	(155.0)	-40.5%	-56.8%	33.0%
<b>Cash flow from investing activities</b>	<b>(189.5)</b>	<b>(311.9)</b>	<b>(838.5)</b>	<b>(151.3)</b>	<b>11.3</b>	<b>(676.0)</b>	<b>110.4%</b>	<b>168.8%</b>	<b>-107.5%</b>
<b>Cash flow from financing activities</b>	<b>(1,383.7)</b>	<b>(1,581.4)</b>	<b>(989.4)</b>	<b>(229.1)</b>	<b>(603.9)</b>	<b>(1,364.3)</b>	<b>-15.4%</b>	<b>-37.4%</b>	<b>163.6%</b>
<b>Net cash flow</b>	<b>46.3</b>	<b>(25.4)</b>	<b>183.6</b>	<b>(30.5)</b>	<b>(203.0)</b>	<b>11.1</b>	<b>99.0%</b>	<b>-824.3%</b>	<b>565.6%</b>
Opening balance of cash	27.6	73.9	48.6	48.6	232.2	232.2	32.7%	-34.3%	377.8%
<b>Closing balance of cash</b>	<b>73.9</b>	<b>48.6</b>	<b>232.2</b>	<b>18.1</b>	<b>29.2</b>	<b>243.3</b>	<b>77.2%</b>	<b>377.8%</b>	<b>61.3%</b>

### Consolidated financial ratios

Particulars (Rs. mn)	FY18	FY19	FY20	Q1 FY20	Q1 FY21	TTM
Revenue Growth Rate (%)		8.1%	0.9%		-15.1%	
EBITDA Growth Rate (%)		-5.7%	17.9%		-24.5%	
EBITDA Margin (%)	40.3%	35.1%	41.1%	38.9%	34.6%	40.2%
EBIT Growth Rate (%)		-11.5%	23.6%		-27.7%	
EBIT Margin (%)	34.0%	27.9%	34.1%	32.3%	27.4%	33.1%
PAT Growth Rate (%)		-10.6%	32.9%		1.8%	
PAT Margin (%)	22.7%	18.8%	24.8%	22.9%	27.5%	25.9%

### Liquidity ratios

Current Ratio	3.3	2.9	4.3	2.9	3.2	3.2
Debt Equity Ratio	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt to EBITDA	(0.9)	(1.1)	(1.2)	(4.3)	(7.8)	(1.5)

### Turnover ratios

Inventories Days						
Debtor Days	12.8	13.0	15.4			23.7
Payable Days	(19.1)	(18.0)	(18.5)			(23.6)
Cash Conversion Cycle	(6.3)	(5.0)	(3.1)			0.0
Fixed Asset Turnover Ratio (x)	2.0	2.2	2.3			2.4
Total Asset Turnover Ratio (x)	0.9	0.9	0.9			0.8

### Return ratios

RoE (%)	32.9%	29.6%	32.1%			33.0%
RoA (%)	20.9%	17.7%	21.6%			20.8%
RoCE (%)	36.7%	32.0%	34.6%			33.4%

### Per share data

Restated Reported EPS (Rs.)	29.9	26.7	35.5			35.7
Restated DPS (Rs.)	15.0	22.5	12.2			
Restated BVPS (Rs.)	90.9	90.5	110.6			108.3
Restated Operating Cash Flow Per Share (Rs.)	33.2	38.3	41.2			42.0
Restated Free Cash Flow Per Share (Rs.)		25.0	18.0			
Dividend Payout Ratio	50.1%	84.0%	34.2%			55.2%

Note: Ratios calculated on pre-issue data; Source: Company RHP

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### Choice Equity Broking Pvt. Ltd.

Choice House, Shree Shakambhari Corporate Park, Plt No: -156-158,  
J.B. Nagar, Andheri (East), Mumbai - 400 099.

+91-022-6707 9999

+91-022-6707 9959

www.choiceindia.com



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