

# IPO Report

“Subscribe with Caution” to

**Campus Activewear Ltd.**

Presence in fastest growing footwear segment, but fully priced



# IPO Report

## Salient features of the FPO:

- Homegrown sports & athleisure focused footwear manufacturer, **Campus Activewear Ltd.** (CAL), is coming up with an IPO to raise Rs. 1,400cr, which opens on 26<sup>th</sup> Apr. and closes on 28<sup>th</sup> Apr. 2022. The price band is Rs. 278 - 292 per share.
- The IPO comprises only the OFS portion, thus the company will not receive any proceeds from the issue.

## Key competitive strengths:

- India's largest sports & athleisure footwear brand and fastest growing scaled sports & athleisure footwear brand with a robust product portfolio across the demand spectrum
- Sustained focus on design & product innovation facilitating access to the latest global trends & styles through its fashion forward approach
- Difficult to replicate integrated manufacturing capabilities supported by robust supply chain
- Robust omnichannel sales & distribution network with pan-India presence and move to premium category
- Strong brand recognition, innovative branding and marketing approach
- Experienced management team

## Risk and concerns:

- General economic slowdown
- Inability to attract consumers or respond to market trends
- Slower expansion of the store network
- Unfavorable revenue-mix
- Volatility in the key raw material prices
- Difficulty in maintaining the working capital
- Competition

## Below are the key highlights of the company:

- The domestic footwear retail market is estimated at Rs. 72,000cr and Rs. 48,000cr in FY20 and FY21, respectively. In FY21, the footwear market was severely impacted mainly by the Covid-19 pandemic induced lockdown and restrictions. The market is projected to grow at 8% CAGR over FY20-25 and 21.6% CAGR over FY21-25 to reach a size of Rs. 1.05lakh cr. The sports & athleisure segment (around Rs. 17,000cr in FY20) of the footwear market is highly under penetrated as compared to developed economies and thus is expected to grow at 14% CAGR between FY20-25.
- Indian sports & athleisure footwear market is dominated by international players like Adidas, Puma, Nike etc. CAL is the only homegrown sports & athleisure footwear company driving almost 90% of the business from this category. It is primarily engaged in the manufacturing, distribution and sales of sports & athleisure footwear products. The company's products are sold under the "Campus" brand and covered more than 85% of the addressable sports & athleisure footwear market in FY21. In terms of value, it was one of the top three domestic sports & athleisure footwear brands during FY19-20, and the largest in FY21.
- In FY20, CAL had around 15% value share in the domestic branded sports & athleisure footwear retail market, which further increased to almost 17% in FY21. In terms of volume, the company was the largest sports & athleisure footwear brand in India, with a market share of 21-24% in FY20, which further increased to 25-28% in FY21.

Recommendation	Subscribe with Caution
Price band	Rs. 278 - 292 per share
Face value	Rs. 5
Shares for fresh issue	Nil
Shares for OFS	4.795cr shares
Fresh issue size	N/a
OFS issue size	Rs. 1,333 - 1,400.1cr
Total issue size	4.795cr shares (Rs. 1,333 - 1,400.1cr)
Employee reservation	0.020cr shares (Rs. 5.6 - 5.8cr)
Net issue size	4.775cr shares (Rs. 1,327.5 - 1,394.3cr)
Bidding date	26 <sup>th</sup> Apr. - 28 <sup>th</sup> Apr. 2022
MCAP at higher price band	Rs. 8,886cr
Enterprise value at higher price band	Rs. 9,068cr
Book running lead manager	JM Financial Ltd., BofA Securities India Ltd., CLSA India Pvt. Ltd. and Kotak Mahindra Capital Company Ltd.
Registrar	Link Intime India Pvt. Ltd.
Sector	Leather & Leather Products
Promoters	Mr. Hari Krishan Agarwal and Mr. Nikhil Aggarwal

## Issue breakup

Category	Percent of issue (%)	Number of shares
QIB portion	50%	2.388cr shares
Non institutional portion	15%	0.716cr shares
Retail portion	35%	1.671cr shares

## Indicative IPO process time line

Finalization of basis of allotment	4 <sup>th</sup> May 2022
Unblocking of ASBA account	5 <sup>th</sup> May 2022
Credit to demat accounts	6 <sup>th</sup> May 2022
Commencement of trading	9 <sup>th</sup> May 2022

## Pre and post - issue shareholding pattern

	Pre-issue	Post-issue
Promoter & promoter group	78.21%	74.10%
Public	21.79%	25.90%
<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	51
Employee discount	Rs. 27 per share
Application money	Rs. 14,892 per lot

## Analyst

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## Key highlights of the company (Contd...):

Company name	Face value (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs. cr)	Stock return (%)				TTM total operating revenue (Rs. cr)	TTM EBITDA (Rs. cr)	TTM PAT (Rs. cr)	TTM gross margin	TTM EBITDA margin	TTM PAT margin
					1 M	3 M	6 M	1 Y						
<b>Campus Activewear Ltd.</b>	<b>5</b>	<b>292</b>	<b>8,886</b>	<b>9,068</b>					<b>1,117</b>	<b>228</b>	<b>96</b>	<b>50.2%</b>	<b>20.4%</b>	<b>8.6%</b>
Bata India Ltd.	5	1,913	24,590	23,493	-1.2%	-5.6%	-5.5%	47.7%	2,312	368	70	53.2%	15.9%	3.0%
Khadim India Ltd.	10	238	427	525	4.5%	-16.4%	-10.5%	86.2%	705	49	15	31.4%	7.0%	2.2%
Lehar Footwears Ltd.	10	44	60	86	16.7%	0.8%	26.9%	58.7%	158	11	3	28.2%	7.0%	2.1%
Liberty Shoes Ltd.	10	163	277	365	9.6%	-2.7%	-3.4%	36.2%	524	58	9	50.8%	11.0%	1.7%
Metro Brands Ltd.	5	567	15,388	14,909	-0.8%	-6.0%			800	173	65	59.3%	21.6%	8.2%
Mirza International Ltd.	2	211	2,537	2,646	26.4%	38.2%	232.7%	387.1%	1,547	204	91	43.2%	13.2%	5.9%
Relaxo Footwears Ltd.	1	1,110	27,640	27,294	3.0%	-15.6%	-18.3%	22.9%	2,703	467	272	54.9%	17.3%	10.1%
Superhouse Ltd.	10	194	214	256	13.0%	-10.4%	11.1%	71.9%	607	49	23	38.6%	8.1%	3.9%
<b>Average</b>												<b>44.9%</b>	<b>12.6%</b>	<b>4.6%</b>

Company name	3Y top-line growth (CAGR)	3Y EBITDA growth (CAGR)	3Y PAT growth (CAGR)	3Y average EBITDA margin	3Y average PAT margin	3Y capital employed growth (CAGR)	3Y CFO growth (CAGR)	3Y average working capital cycle (Days)	3Y average total asset turnover (x)	3Y average RoE	3Y average RoIC
<b>Campus Activewear Ltd.</b>	<b>9.3%</b>	<b>7.7%</b>	<b>-16.4%</b>	<b>17.2%</b>	<b>6.2%</b>	<b>32.9%</b>	<b>51.1%</b>	<b>119.9</b>	<b>1.1</b>	<b>16.4%</b>	<b>23.8%</b>
Bata India Ltd.	-23.7%	-41.5%		18.0%	5.6%	19.6%	15.6%	6.8	0.9	10.4%	10.0%
Khadim India Ltd.	-11.5%	-71.5%		4.2%	-2.2%	1.8%		43.1	1.1		
Lehar Footwears Ltd.	25.1%	-10.7%	-33.3%	8.4%	1.0%	7.7%	10.8%	71.5	0.8	1.9%	5.2%
Liberty Shoes Ltd.	-12.8%	11.4%	-80.9%	9.1%	0.9%	21.0%	8.2%	68.1	1.1	3.2%	4.6%
Metro Brands Ltd.	-18.9%	-15.9%	-35.7%	23.0%	11.2%	36.1%	59.5%	(10.2)	0.9	16.9%	13.1%
Mirza International Ltd.	-4.6%	-9.1%	-58.6%	12.4%	2.9%	13.1%	158.9%	133.3	1.0	5.6%	8.2%
Relaxo Footwears Ltd.	1.5%	23.4%	28.9%	17.5%	9.8%	22.6%	103.9%	45.4	1.3	17.4%	16.4%
Superhouse Ltd.	-12.1%	-9.4%	8.0%	8.3%	4.0%	5.1%	42.5%	99.0	0.9	6.8%	8.1%
<b>Average</b>	<b>-7.1%</b>	<b>-15.4%</b>	<b>-28.6%</b>	<b>12.6%</b>	<b>4.2%</b>	<b>15.9%</b>	<b>57.1%</b>	<b>57.1</b>	<b>1.0</b>	<b>8.9%</b>	<b>9.4%</b>

Company name	TTM EPS (Rs.)	BVPS (Rs.)	DPS (Rs.)	Debt equity ratio (x)	Total asset turnover ratio (x)	TTM RoE	TTM RoCE	TTM P / E (x)	P / B (x)	EV / TTM Sales (x)	EV / TTM EBITDA (x)	MCAP / TTM Sales (x)	TTM Earning yield
<b>Campus Activewear Ltd.</b>	<b>3.1</b>	<b>10.4</b>	<b>0.0</b>	<b>0.6</b>	<b>1.6</b>	<b>30.3%</b>	<b>39.9%</b>	<b>93.0</b>	<b>28.1</b>	<b>8.1</b>	<b>39.7</b>	<b>8.0</b>	<b>1.1%</b>
Bata India Ltd.	5.4	136.8	4.0	0.0	0.7	4.0%	5.5%	353.8	14.0	10.2	63.8	10.6	0.3%
Khadim India Ltd.	8.5	111.8	0.0	0.5	1.1	7.6%	4.0%	27.9	2.1	0.7	10.7	0.6	3.6%
Lehar Footwears Ltd.	2.5	43.7	0.0	0.5	1.1	5.7%	9.3%	17.7	1.0	0.5	7.8	0.4	5.7%
Liberty Shoes Ltd.	5.2	109.4	0.0	0.5	1.0	4.7%	8.9%	31.5	1.5	0.7	6.3	0.5	3.2%
Metro Brands Ltd.	2.4	30.5	1.8	0.0	0.5	7.9%	3.9%	235.9	18.6	18.6	86.3	19.2	0.4%
Mirza International Ltd.	7.6	53.0	0.0	0.2	1.3	14.3%	15.5%	27.8	4.0	1.7	12.9	1.6	3.6%
Relaxo Footwears Ltd.	10.9	63.2	0.0	0.0	1.2	17.3%	20.6%	101.6	17.6	10.1	58.4	10.2	1.0%
Superhouse Ltd.	21.3	345.4	0.8	0.3	0.9	6.2%	8.4%	9.1	0.6	0.4	5.2	0.4	10.9%
<b>Average</b>			<b>0.8</b>	<b>0.2</b>	<b>1.0</b>	<b>8.4%</b>	<b>9.5%</b>	<b>100.7</b>	<b>7.4</b>	<b>5.4</b>	<b>31.4</b>	<b>5.5</b>	<b>3.6%</b>

Source: Choice Broking Research

- CAL's core market is 14-35 age group, which represents around 44% of the sports & athelisure market. With an SKU of around 6,400, the company offers one of the widest portfolios of footwear products. The company footwear's are sold across three categories, namely entry-level (MRP at or below Rs. 1,049), semi-premium (MRP between Rs. 1,050-1,499) and premium (MRP at or above Rs. 1,500). CAL has a strong presence in the men's category and derived around 85% of the total business during FY19-21.
- The company's operations are vertically integrated. It owns and operates five manufacturing facilities with an installed annual assembly capacity of 2.88cr pairs (as of 31st Dec. 2021). Through these manufacturing facilities, CAL internally meets 37.5% of the soles requirement and 16.7% of footwear uppers requirement. While doing 100% in-house assemblies of all its products.
- It derives sales through a combination of "Trade distribution" and "Direct-to-consumer" channel. Under the former, it has over 425 distributors directly servicing and fulfilling orders of over 19,200 geographically mapped retailers on a pan-India basis. Under Direct-to-consumer channel, business is done via e-commerce and offline modern trade mediums like EBOs (exclusive brand outlet) and LFS (large format stores). As of 31st Dec. 2021, it had 57 company owned & company operated; and 28 franchised stores.
- CAL's sales volume under the entry-level (which is around 65% of the total volume-mix) declined by 1.5% CAGR, while sales volume from semi-premium and premium categories increased by 7.6% and 14.9% CAGR over FY19-21. Overall sales volume during the period increased by 3% CAGR (1.3cr pairs) with 6.5% CAGR rise in blended realization (Rs. 546.2 per pair).
- FY21 being a Covid-19 pandemic year in India, CAL's operating & financial performance was severely impacted. Despite this, the company was able to report business growth with almost stable operating profit margins. On the back of a 3% and 6.5% CAGR rise in sales volume and blended sales realization, respectively, over FY19-21, it reported a 9.3% CAGR rise in consolidated top-line to Rs. 711.3cr in FY21. On account of higher total operating expenditure, consolidated EBITDA increased by 7.7% CAGR to Rs. 116cr in FY21. EBITDA margin contracted by 51bps from 16.8% in FY19 to 16.3% in FY21. Higher depreciation charge and effective tax expenses led to a 16.4% CAGR fall in consolidated PAT to Rs. 26.9cr in FY21. PAT margin contracted from 6.5% in FY19 to 3.8% in FY21.

### Key highlights of the company (Contd...):

- The company had a positive operating cash flow over FY19-21, which increased by 51.1% CAGR to Rs. 124.3cr in FY21. Average operating cash flow during the period was around Rs. 92.7cr. Total financial liabilities declined by 5.3% CAGR, with debt-to-equity ratio improved from 1.0x in FY19 to 0.6x in FY21. Average RoIC and RoE during the period stood at 23.9% and 16.4%, respectively.
- On TTM basis, CAL reported a top-line of Rs. 1,117cr with EBITDA and PAT margins of 20.4% and 8.6%, respectively. Over FY21-24E, we are forecasting a top-line growth of 20.7% CAGR (aided by 11.3% and 8.5% CAGR rise in sales volume and blended realization) to Rs. 1,250.8cr in FY24E. EBITDA and PAT margin are estimated to expand by 259bps and 599bps, respectively, over FY21-24E to 18.9% and 9.8%. RoIC and RoE is expected to be at 20.8% and 18.5%, respectively, in FY24E as compared to 14.4% and 8.5% in FY21.
- The IPO is mainly an exit route for the selling shareholders, namely the TPG Growth Fund and QRG Enterprises Ltd., who are partially offloading their stake from the company. Through this issue, the promoter group is marginally diluting its stake from 78.21% (pre-issue) to 74.10% (post-issue).

**Peer comparison and valuation:** CAL is catering to the fastest growth segment of the sports & athleisure footwear market. Thus with its established brand and expanded geographical reach, the company is well placed to benefit from the expansion in the market. At the higher price band, CAL is demanding a TTM P/E multiple of 93x (to its TTM EPS of Rs. 3.1), which is in-line to the peer average of 100.7x. Based on FY24E earnings, the demanded P/E comes out to be 72.7x, which we feel is too stretched. Considering the already rich valuations of the sector and also the current equity market volatilities, we assign a “**Subscribe with Caution**” rating for the issue.

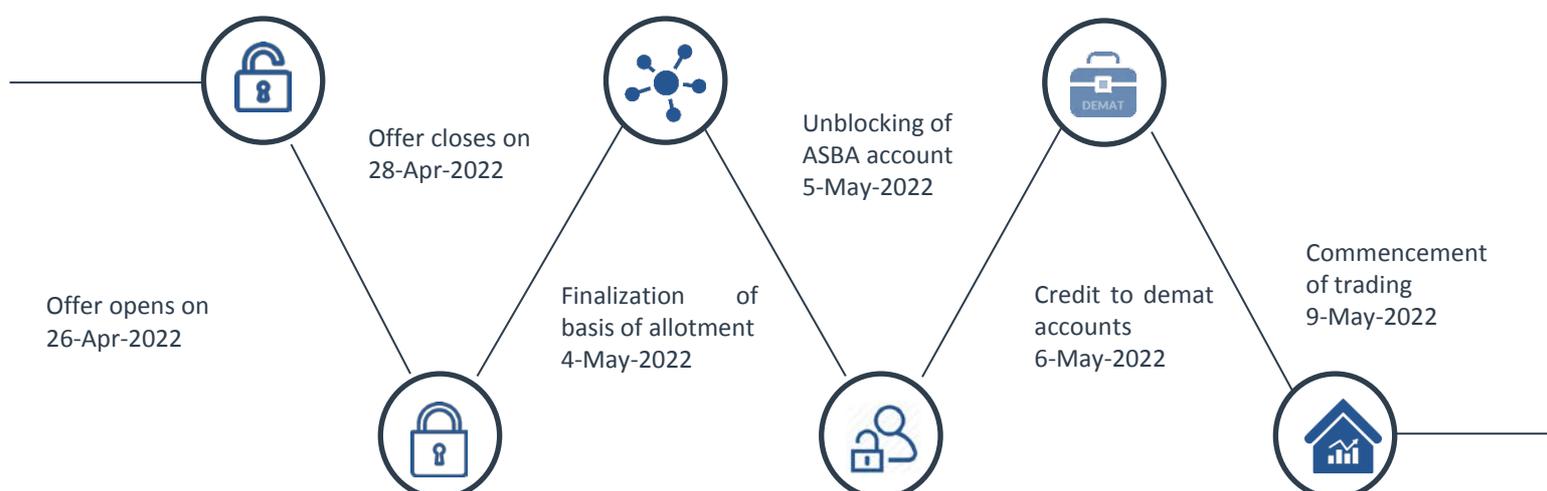
## About the issue:

- CAL is coming up with an IPO with 4.795cr shares (fresh issue: nil; OFS shares: 4.795cr shares) in offering. The offer represents around 15.8% of its post issue paid-up equity shares of the company. Total IPO size is Rs. 1,333 - 1,400.1cr.
- The issue will open on 26<sup>th</sup> Apr. 2022 and close on 28<sup>th</sup> Apr. 2022.
- The issue is through book building process with a price band of Rs. 278 - 292 per share.
- The IPO comprises only the OFS portion, thus the company will not receive any proceeds from the issue.
- 0.02cr shares are reserved for eligible employees, thus the net IPO size is Rs. Rs. 1,327.5 - 1,394.3cr.
- 50% of the net issue are reserved for qualified institutional buyers, while 15% and 35% of the net issue is reserved for non-institutional bidders and retail investors, respectively.
- Promoter currently holds 78.21% stake in the company and post-IPO this will come down to 74.10%. Public holding will increase from current 21.79% to 25.90%.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group	78.21%	74.10%
Public	21.79%	25.90%

Source: Choice Equity Broking

## Indicative IPO process time line:



## Financial performance:

**Performance over FY19-21:** FY21 being a Covid-19 pandemic year in India, CAL's operating & financial performance was severely impacted. Despite this, the company was able to report business growth with almost stable operating profit margins.

On the back of a 3% and 6.5% CAGR rise in sales volume and blended sales realization, respectively, over FY19-21, it reported a 9.3% CAGR rise in consolidated top-line to Rs. 711.3cr in FY21.

Net cost of goods sold as a percent of top-line improved from 54% in FY19 to 52.6% in FY21, thereby leading to a 10.9% CAGR increase in gross profit and 136bps expansion in the gross profit margin. However on account of relatively higher other expenses, EBITDA margin contracted by 51bps over FY19-21. Consolidated EBITDA increased by 7.7% CAGR to Rs. 116cr in FY21.

With expanded manufacturing capacities, depreciation charge increased by 50.9% CAGR, while lower debt levels coupled with decrease in interest rates led to a 10% CAGR fall in finance costs. Consequently, consolidated PAT declined by 16.4% CAGR over FY19-21 to Rs. 26.9cr in FY21. PAT margin contracted from 6.5% in FY19 to 3.8% in FY21.

The company had a positive operating cash flow over FY19-21, which increased by 51.1% CAGR to Rs. 124.3cr in FY21. Average operating cash flow during the period was around Rs. 92.7cr. Total financial liabilities declined by 5.3% CAGR, with debt-to-equity ratio improved from 1.0x in FY19 to 0.6x in FY21. Average RoIC and RoE during the period stood at 23.9% and 16.4%, respectively.

On TTM basis, CAL reported a top-line of Rs. 1,117cr with EBITDA and PAT margins of 20.4% and 8.6%, respectively.

Consolidated financial snapshot (Rs. cr)	FY19	FY20	FY21	TTM	CAGR over FY19-21	Y-o-Y (Annual)
Revenue from operations	594.9	732.0	711.3	1,117.0	9.3%	-2.8%
Gross profit	273.7	351.9	336.9	560.6	10.9%	-4.3%
EBITDA	100.0	136.3	116.0	228.2	7.7%	-14.9%
Reported PAT	38.4	61.6	26.9	95.6	-16.4%	-56.4%
Restated reported EPS	1.3	2.0	0.9	3.1	-16.4%	-56.4%
Cash flow from operating activities	54.4	99.5	124.3	52.1	51.1%	25.0%
NOPLAT	62.0	75.5	58.3	127.7	-3.0%	-22.8%
FCF		(62.8)	3.9			
RoIC (%)	33.2%	23.8%	14.5%	26.3%	(1,870) bps	(926) bps
Revenue growth rate (%)		23.1%	-2.8%			
Gross profit growth rate (%)		28.6%	-4.3%			
Gross profit margin (%)	46.0%	48.1%	47.4%	50.2%	136 bps	(71) bps
EBITDA growth rate (%)		36.2%	-14.9%			
EBITDA margin (%)	16.8%	18.6%	16.3%	20.4%	(51) bps	(230) bps
EBIT growth rate (%)		32.1%	-26.4%			
EBIT margin (%)	14.4%	15.5%	11.7%	16.1%	(269) bps	(375) bps
Restated reported PAT growth rate (%)		60.4%	-56.4%			
Restated reported PAT margin (%)	6.5%	8.4%	3.8%	8.6%	(268) bps	(464) bps
Inventory days	134.3	138.3	181.5	210.2	16.3%	31.3%
Debtor days	99.4	76.4	62.2	40.0	-20.9%	-18.5%
Payable days	(91.6)	(97.7)	(143.2)	(135.3)	25.0%	46.6%
Cash conversion cycle	142.1	117.0	100.6	114.9	-15.9%	-14.0%
Fixed asset turnover ratio (x)	4.8	3.6	2.8	4.1	-23.6%	-22.5%
Total asset turnover ratio (x)	1.2	1.0	1.0	1.3	-6.0%	2.1%
Current ratio (x)	1.2	1.4	1.6	1.6	13.6%	18.5%
Quick ratio (x)	0.8	0.8	0.8	0.7	-1.1%	-7.8%
Total debt (Rs.)	207.5	285.2	186.1	255.3	-5.3%	-34.7%
Net debt (Rs.)	205.8	224.9	184.9	254.5	-5.2%	-17.8%
Debt to equity (x)	1.0	1.0	0.6	0.6	-23.9%	-40.6%
Net debt to EBITDA (x)	2.1	1.7	1.6	1.1	-12.0%	-3.4%
RoE (%)	19.0%	21.6%	8.6%	23.7%	(1,044) bps	(1,304) bps
RoA (%)	7.6%	8.6%	3.9%	10.8%	(367) bps	(464) bps
RoCE (%)	33.7%	28.3%	18.7%	33.5%	(1,502) bps	(958) bps

Source: Choice Equity Broking



### Competitive strengths:

- India's largest sports & athleisure footwear brand and fastest growing scaled sports & athleisure footwear brand with a robust product portfolio across the demand spectrum
- Sustained focus on design & product innovation facilitating access to the latest global trends & styles through its fashion forward approach
- Difficult to replicate integrated manufacturing capabilities supported by robust supply chain
- Robust omnichannel sales & distribution network with pan-India presence and move to premium category
- Strong brand recognition, innovative branding and marketing approach
- Experienced management team

### Business strategy:

- Leverage the brand and leadership position to benefit from the growth in the Indian sports & athleisure market with a focus on women, children and kids
- Further expand and deepen the omnichannel experience
- Targeted product development to increase diversification
- Continue to invest in and integrate the supply chain
- Continued focus on digitization to sharpen product focus and drive retail sales
- Targeted acquisitions of products and brands



### Risk and concerns:

- General economic slowdown
- Inability to attract consumers or respond to market trends
- Slower expansion of the store network
- Unfavorable revenue-mix
- Volatility in the key raw material prices
- Difficulty in maintaining the working capital
- Competition

## Financial statements:

Consolidated profit and loss statement (Rs. cr)						
	FY19	FY20	FY21	TTM	CAGR over FY19 - 21	Annual growth over FY20
<b>Revenue from operations</b>	<b>594.9</b>	<b>732.0</b>	<b>711.3</b>	<b>1,117.0</b>	<b>9.3%</b>	<b>-2.8%</b>
Cost of materials consumed	(324.2)	(413.8)	(400.6)	(623.0)	11.2%	-3.2%
Purchases of stock-in-trade	(10.3)	(0.5)	(3.8)	(15.8)	-39.4%	683.0%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	13.3	34.2	30.0	82.4	50.1%	-12.3%
<b>Gross profit</b>	<b>273.7</b>	<b>351.9</b>	<b>336.9</b>	<b>560.6</b>	<b>10.9%</b>	<b>-4.3%</b>
Employee benefits expense	(43.1)	(57.0)	(55.2)	(62.2)	13.1%	-3.3%
Other expenses	(130.5)	(158.6)	(165.7)	(270.2)	12.7%	4.4%
<b>EBITDA</b>	<b>100.0</b>	<b>136.3</b>	<b>116.0</b>	<b>228.2</b>	<b>7.7%</b>	<b>-14.9%</b>
Depreciation and amortisation expense	(14.4)	(23.1)	(32.7)	(48.7)	50.9%	41.8%
<b>EBIT</b>	<b>85.7</b>	<b>113.2</b>	<b>83.3</b>	<b>179.4</b>	<b>-1.4%</b>	<b>-26.4%</b>
Finance costs	(21.2)	(16.5)	(17.2)	(17.8)	-10.0%	4.0%
Other income	1.8	2.1	3.8	2.6	44.3%	83.2%
<b>PBT</b>	<b>66.3</b>	<b>98.8</b>	<b>69.9</b>	<b>164.2</b>	<b>2.7%</b>	<b>-29.2%</b>
Tax expenses	(27.7)	(36.4)	(43.1)	(69.4)	24.6%	18.4%
<b>PAT before minority interest</b>	<b>38.6</b>	<b>62.4</b>	<b>26.9</b>	<b>94.8</b>	<b>-16.6%</b>	<b>-56.9%</b>
Minority interest	(0.2)	(0.8)	0.0	0.8		
<b>Reported PAT</b>	<b>38.4</b>	<b>61.6</b>	<b>26.9</b>	<b>95.6</b>	<b>-16.4%</b>	<b>-56.4%</b>

Consolidated balance sheet statement (Rs. cr)						
	FY19	FY20	FY21	TTM	CAGR over FY19 - 21	Annual growth over FY20
Equity share capital	0.1	151.9	151.9	152.2	3856.9%	0.0%
Other equity	201.7	132.9	160.8	250.4	-10.7%	21.0%
Minority interest	(2.6)	0.1	0.4	0.0		203.4%
Non current borrowings	30.1	81.6	92.1	71.8	75.1%	12.9%
Non current lease liabilities	21.8	27.7	35.2	56.0	27.2%	26.9%
Non current provisions	3.0	6.4	5.7	4.7	37.7%	-10.0%
Other non current liabilities	0.3			0.0		
Current borrowings	144.7	161.7	43.5	102.3	-45.2%	-73.1%
Current lease liabilities	2.1	4.6	6.5	11.0	74.2%	41.5%
Other current financial liabilities	8.9	9.6	8.9	14.1	-0.1%	-7.9%
Trade payables	80.6	122.8	170.9	206.3	45.6%	39.1%
Current provisions	0.2	1.7	0.5	0.7	45.6%	-71.7%
Other current liabilities	3.8	10.9	4.9	6.6	13.2%	-54.9%
Net income tax liabilities	11.0	7.4	3.7	8.6	-42.0%	-50.2%
<b>Total liabilities</b>	<b>505.6</b>	<b>719.2</b>	<b>684.8</b>	<b>884.7</b>	<b>16.4%</b>	<b>-4.8%</b>
Property, plant and equipment	69.4	126.2	206.2	198.5	72.4%	63.4%
Intangible assets	1.2	1.4	0.9	0.8	-16.2%	-38.7%
Capital work-in-progress	24.6	35.2	0.3	2.1	-89.9%	-99.3%
Right-of-use assets	29.8	41.6	49.1	72.3	28.3%	18.0%
Other non current financial assets	4.0	3.9	4.3	6.2	3.2%	11.2%
Net deferred tax assets	63.4	59.9	37.3	37.8	-23.2%	-37.6%
Net income tax assets		2.3	2.8	4.8		21.2%
Other non current assets	0.4	17.2	0.8	0.3	41.3%	-95.6%
Inventories	118.2	169.9	202.5	320.5	30.9%	19.2%
Trade receivables	162.0	144.3	98.2	122.3	-22.1%	-32.0%
Current loans	1.4	1.4	0.5	1.3	-40.8%	-65.7%
Cash and cash equivalents	1.8	60.3	1.2	0.8	-17.2%	-98.0%
Other current financial assets	0.3	0.7	0.4	11.5	16.8%	-38.4%
Other current assets	29.1	55.0	80.3	105.5	66.2%	46.2%
<b>Total assets</b>	<b>505.6</b>	<b>719.2</b>	<b>684.8</b>	<b>884.7</b>	<b>16.4%</b>	<b>-4.8%</b>

Source: Choice Equity Broking

## Financial statements (Contd...):

Consolidated cash flow statement (Rs. cr)						
	FY19	FY20	FY21	TTM	CAGR over FY19 - 21	Annual growth over FY20
Cash flow before working capital changes	111.9	157.0	128.6	240.9	7.2%	-18.1%
Working capital changes	(48.3)	(17.9)	21.0	(152.7)		
<b>Cash flow from operating activities</b>	<b>54.4</b>	<b>99.5</b>	<b>124.3</b>	<b>52.1</b>	<b>51.1%</b>	<b>25.0%</b>
Purchase and construction of property, plant and equipment	(30.0)	(109.8)	(55.6)	(38.8)	36.1%	-49.4%
<b>Cash flow from investing activities</b>	<b>(28.8)</b>	<b>(154.5)</b>	<b>(9.0)</b>	<b>(38.9)</b>	<b>-44.1%</b>	<b>-94.2%</b>
<b>Cash flow from financing activities</b>	<b>(25.5)</b>	<b>68.6</b>	<b>(129.4)</b>	<b>(13.5)</b>	<b>125.2%</b>	<b>-288.7%</b>
<b>Net cash flow</b>	<b>0.1</b>	<b>13.5</b>	<b>(14.1)</b>	<b>(0.3)</b>		
Opening balance of cash	1.6	1.8	15.3	1.1	208.1%	769.1%
<b>Closing balance of cash</b>	<b>1.8</b>	<b>15.3</b>	<b>1.2</b>	<b>0.8</b>	<b>-17.2%</b>	<b>-92.1%</b>

Financial ratios				
Particulars (Rs. mn)	FY19	FY20	FY21	TTM
Revenue growth rate (%)		23.1%	-2.8%	
Gross profit growth rate (%)		28.6%	-4.3%	
Gross profit margin (%)	46.0%	48.1%	47.4%	50.2%
EBITDA growth rate (%)		36.2%	-14.9%	
EBITDA margin (%)	16.8%	18.6%	16.3%	20.4%
EBIT growth rate (%)		32.1%	-26.4%	
EBIT margin (%)	14.4%	15.5%	11.7%	16.1%
Restated reported PAT growth rate (%)		60.4%	-56.4%	
Restated reported PAT margin (%)	6.5%	8.4%	3.8%	8.6%
Turnover ratios				
Inventories turnover ratio (x)	5.0	5.1	3.8	3.5
Trade receivable turnover ratio (x)	3.7	4.8	5.9	9.1
Accounts payable turnover ratio (x)	7.4	7.2	4.8	5.4
Fixed asset turnover ratio (x)	4.8	3.6	2.8	4.1
Total asset turnover ratio (x)	1.2	1.0	1.0	1.3
Return ratios				
RoE (%)	19.0%	21.6%	8.6%	23.7%
RoA (%)	7.6%	8.6%	3.9%	10.8%
RoCE (%)	33.7%	28.3%	18.7%	33.5%
Per share data				
Restated adjusted EPS (Rs.)	1.3	2.0	0.9	3.1
DPS (Rs.)	0.0	0.0	0.0	0.0
BVPS (Rs.)	6.6	9.4	10.3	13.2
Operating cash flow per share (Rs.)	1.8	3.3	4.1	1.7
Free cash flow per share (Rs.)		(2.1)	0.1	
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%

Source: Choice Equity Broking

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