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# IPO REPORT

**“Subscribe with Caution” to  
India Pesticides Ltd.**

**A small player with focus on agro technicals, but issue seems to be fully priced**

## Salient features of the IPO:

- Agrochemical technicals company **India Pesticides Ltd.** (IPL) is planning to raise up to Rs. 800cr through an IPO, which opens on 23<sup>rd</sup> Jun. and closes on 25<sup>th</sup> Jun. 2021. The price band is Rs. 290 - 296 per share.
- The issue is a combination of fresh issue and OFS. The company will not receive any proceeds from the OFS portion. Of the net proceeds from the fresh issue, Rs. 80cr will be utilized to fund the working capital requirement of the company. Residual funds will be used for general corporate purposes.
- On 28<sup>th</sup> Jan. 2021, the company executed a private placement by allocating 0.037cr shares at Rs. 33.7 per share.

## Key competitive strengths:

- Strong R&D and product development capabilities
- Diversified portfolio of niche and quality specialized products
- Long-term relationship with key customers
- Advanced manufacturing facilities with focus on environment, health and safety
- Strong sourcing capabilities and extensive distribution network
- Consistent track record of financial performance
- Experienced promoters and strong management team

## Risk and concerns:

- Unfavorable government policies
- Revenue concentration risk
- Unfavorable raw material prices
- Unfavorable forex movements
- Working capital intensive operations
- Competition

**Peer comparison and valuation:** At higher price band of Rs. 296, IPL is demanding a P/E multiple of 25.3x (to its FY21 earnings of Rs. 11.7 per share), which is at premium to the peer average (excluding bigger players). Thus the issue seems to be fully priced.

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

- Globally the crop protection active ingredients (i.e. technical) market was 3.1mn tonnes in 2019 and is expected to grow to approximately 4mn tonnes by 2024. Herbicides will continue to occupy the highest share in the crop protection technicals market due to farm labor shortage globally. Moreover with farming moving to more profitable options (i.e. cash crops), the demand of fungicides is also likely to increase. Thus the manufacturers of technical for herbicides and fungicides categories are expected to have better growth opportunities. IPL being a manufacturer of herbicides and fungicides technicals is expected to benefit for the growth in the sector.
- Indian crop protection market was at USD 4.2bn in 2019, evenly distributed between exports and domestic consumption. By 2024, it is expected to reach a level of USD 5.7bn, with export contribution expanding to around 55% - largely benefiting from being a low cost producer of generic pesticides. Further with around 19 technicals expected to go off-patent, the export opportunities will expand further by 2026.

Recommendation	Subscribe with Caution
Price band	Rs. 290 - 296 per share
Face value	Rs. 1
Shares for fresh issue	0.338 - 0.345cr shares
Shares for OFS	2.365 - 2.414cr shares
Fresh issue size	Rs. 100cr
OFS issue size	Rs. 700cr
Total issue size	2.703 - 2.759cr shares (Rs. 800cr)
Bidding date	23 <sup>rd</sup> Jun. - 25 <sup>th</sup> Jun. 2021
MCAP at higher price band	Rs. 3,409cr
Enterprise value at higher price band	Rs. 3,302cr
Book running lead manager	Axis Capital Ltd. and JM Financial Ltd.
Registrar	KFIN Technologies Pvt. Ltd.
Sector	Agrochemicals
Promoters	Mr. Anand Swarup Agarwal and The ASA Family Trust

Issue breakup		
Category	Percent of issue (%)	Number of shares
QIB portion	50%	1.351 - 1.379cr shares
Non institutional portion	15%	0.405 - 0.414cr shares
Retail portion	35%	0.946 - 0.966cr shares

Indicative IPO process time line	
Finalization of basis of allotment	30 <sup>th</sup> Jun. 2021
Unblocking of ASBA account	1 <sup>st</sup> Jul. 2021
Credit to demat accounts	2 <sup>nd</sup> Jul. 2021
Commencement of trading	5 <sup>th</sup> Jul. 2021

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	82.68%	66.17%
Public	17.32%	33.83%
<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	50
Application money	Rs. 14,800 per Lot

Analyst	
<b>Raj Nath Yadav</b>	
Research Analyst (022 - 6707 9999; Ext: 912)	
Email: <a href="mailto:rajnath.yadav@choiceindia.com">rajnath.yadav@choiceindia.com</a>	

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

Company name	Face value (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs. cr)	Stock return (%)				FY20 operating revenue (Rs. cr)	FY20 EBITDA (Rs. cr)	FY20 PAT (Rs. cr)	FY20 EBITDA margin (%)	FY20 PAT margin (%)
					1 M	3 M	6 M	1 Y					
<b>India Pesticides Ltd.</b>	<b>1</b>	<b>296</b>	<b>3,409</b>	<b>3,302</b>					<b>649</b>	<b>183</b>	<b>135</b>	<b>28.2%</b>	<b>20.7%</b>
UPL Ltd.	2	808	61,731	80,401	12.8%	35.2%	82.4%	102.3%	38,694	8,352	2,871	21.6%	7.4%
PI Industries Ltd.	1	2,849	43,225	41,155	7.3%	29.0%	26.3%	79.1%	4,577	1,012	738	22.1%	16.1%
Bayer CropScience Ltd.	10	5,580	25,078	23,816	4.2%	10.9%	5.5%	-1.0%	4,261	812	493	19.0%	11.6%
Sumitomo Chemical India Ltd.	10	382	19,067	18,535	27.8%	40.5%	28.5%	28.6%	2,645	487	345	18.4%	13.1%
Rallis India Ltd.	1	345	6,699	6,402	9.2%	27.9%	17.6%	27.7%	2,429	324	229	13.4%	9.4%
Dhanuka Agritech Ltd.	2	969	4,514	4,333	10.8%	35.3%	32.6%	32.9%	1,388	269	211	19.4%	15.2%
Insecticides (India) Ltd.	10	750	1,551	1,526	43.1%	73.0%	63.2%	57.9%	1,284	120	65	9.3%	5.1%
Heranba Industries Ltd.	10	713	2,852	2,818	2.8%	7.6%			1,219	221	154	18.2%	12.7%
Bharat Rasayan Ltd.	10	12,328	5,238	5,198	1.3%	33.7%	38.1%	83.1%	1,093	222	154	20.3%	14.0%
NACL Industries Ltd.	1	72	1,419	1,526	51.0%	100.5%	77.6%	191.7%	1,191	113	51	9.5%	4.3%
Excel Industries Ltd.	5	1,088	1,367	1,306	5.6%	27.3%	29.7%	50.8%	750	121	71	16.1%	9.5%
Punjab Chemicals & Crop Protection Ltd.	10	1,350	1,656	1,716	25.1%	50.1%	81.2%	213.4%	678	96	49	14.1%	7.2%
Astec Lifesciences Ltd.	10	1,286	2,517	2,702	9.7%	27.5%	22.3%	100.6%	555	112	65	20.1%	11.7%
<b>Average</b>												<b>17.0%</b>	<b>10.6%</b>

Company name	4Y top-line growth (CAGR, %)	4Y EBITDA growth (CAGR, %)	4Y PAT growth (CAGR, %)	4Y average EBITDA margin (%)	4Y average PAT margin (%)	4Y capital employed growth (CAGR, %)	4Y CFO growth (CAGR, %)	4Y average fixed asset turnover (x)	4Y average total asset turnover (x)	4Y average RoE (%)	4Y average RoIC (%)
<b>India Pesticides Ltd.</b>	<b>36.9%</b>	<b>49.0%</b>	<b>60.1%</b>	<b>22.2%</b>	<b>15.3%</b>	<b>46.2%</b>	<b>73.2%</b>	<b>4.4</b>	<b>1.1</b>	<b>25.3%</b>	<b>24.2%</b>
UPL Ltd.	30.3%	35.3%	12.4%	19.3%	7.7%	47.9%	36.4%	1.4	0.6	14.2%	10.6%
PI Industries Ltd.	25.6%	27.0%	26.2%	21.3%	15.0%	41.8%	31.4%	1.9	0.6	17.1%	14.7%
Bayer CropScience Ltd.	15.7%	25.6%	18.0%	17.3%	11.6%	-6.6%	78.2%	7.8	0.7	17.4%	18.1%
Sumitomo Chemical India Ltd.						17.1%		6.0	0.8	13.7%	
Rallis India Ltd.	10.7%	6.7%	10.9%	13.1%	8.7%	10.1%	73.7%	3.1	0.9	13.4%	12.5%
Dhanuka Agritech Ltd.	12.4%	17.4%	18.6%	16.6%	13.0%	8.0%	18.8%	8.3	1.2	21.0%	21.0%
Insecticides (India) Ltd.	5.1%	-6.8%	-8.3%	12.4%	7.3%	10.2%	-4.9%	4.7	1.0	13.5%	15.6%
Heranba Industries Ltd.	18.0%	36.1%	48.7%	14.2%	9.2%	47.8%	5.2%	11.6	1.6	30.6%	34.2%
Bharat Rasayan Ltd.	10.5%	12.0%	16.0%	19.4%	12.6%	22.7%	45.5%	5.3	1.5	28.0%	26.8%
NACL Industries Ltd.	11.2%	32.4%	63.8%	5.9%	1.6%	22.1%	50.4%	5.1	1.2	4.8%	7.0%
Excel Industries Ltd.	7.0%	-0.5%	-1.3%	21.2%	13.5%	12.0%	-8.6%	2.5	0.8	14.5%	21.3%
Punjab Chemicals & Crop Protection Ltd.	11.0%	31.9%	41.9%	10.1%	3.8%	19.5%	-7.2%	3.4	1.5	21.7%	20.8%
Astec Lifesciences Ltd.	14.4%	17.5%	23.0%	18.2%	9.6%	26.0%		2.2	0.9	19.6%	20.6%
<b>Average</b>	<b>14.3%</b>	<b>19.6%</b>	<b>22.5%</b>	<b>15.7%</b>	<b>9.5%</b>	<b>21.4%</b>	<b>29.0%</b>	<b>4.9</b>	<b>1.0</b>	<b>17.7%</b>	<b>18.6%</b>

Company Name	TTM 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>India Pesticides Ltd.</b>	<b>11.7</b>	<b>42.5</b>	<b>0.3</b>	<b>0.1</b>	<b>1.1</b>	<b>27.5%</b>	<b>35.0%</b>	<b>25.3</b>	<b>7.0</b>	<b>5.1</b>	<b>18.0</b>	<b>5.3</b>	<b>3.9%</b>
UPL Ltd.	37.6	273.4	10.0	1.1	0.6	13.7%	12.8%	21.5	3.0	2.1	9.6	1.6	4.7%
PI Industries Ltd.	48.7	352.1	5.0	0.0	0.7	13.8%	14.8%	58.5	8.1	9.0	40.7	9.4	1.7%
Bayer CropScience Ltd.	109.7	567.5	115.0	0.0	1.0	19.3%	27.7%	50.9	9.8	5.6	29.3	5.9	2.0%
Sumitomo Chemical India Ltd.	6.9	30.9	0.8	0.0	1.0	22.4%	27.8%	55.2	12.4	7.0	38.1	7.2	1.8%
Rallis India Ltd.	11.8	81.8	2.5	0.0	0.9	14.4%	15.5%	29.3	4.2	2.6	19.7	2.8	3.4%
Dhanuka Agritech Ltd.	45.2	170.9	2.0	0.0	1.2	26.5%	30.0%	21.4	5.7	3.1	16.1	3.3	4.7%
Insecticides (India) Ltd.	31.4	386.1	2.0	0.1	1.0	8.1%	11.8%	23.9	1.9	1.2	12.8	1.2	4.2%
Heranba Industries Ltd.	38.5	132.0	0.7	0.1	1.4	29.2%	38.4%	18.5	5.4	2.3	12.7	2.3	5.4%
Bharat Rasayan Ltd.	361.3	1,518.6	0.0	0.1	1.4	23.8%	30.3%	34.1	8.1	4.8	23.4	4.8	2.9%
NACL Industries Ltd.	2.6	21.3	0.4	0.4	1.2	12.2%	17.1%	27.8	3.4	1.3	13.5	1.2	3.6%
Excel Industries Ltd.	56.6	677.4	11.3	0.0	0.7	8.3%	10.8%	19.2	1.6	1.7	10.8	1.8	5.2%
Punjab Chemicals & Crop Protection Ltd.	40.0	117.8	2.0	0.5	1.5	34.0%	34.4%	33.7	11.5	2.5	18.0	2.4	3.0%
Astec Lifesciences Ltd.	33.2	157.9	1.5	0.6	0.8	21.0%	24.6%	38.7	8.1	4.9	24.2	4.5	2.6%
<b>Average</b>			<b>11.8</b>	<b>0.2</b>	<b>1.0</b>	<b>19.0%</b>	<b>22.8%</b>	<b>33.3</b>	<b>6.4</b>	<b>3.7</b>	<b>20.7</b>	<b>3.7</b>	<b>3.5%</b>

Source: Choice Broking Research

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

- IPL is engaged in the manufacturing of agro-chemical technicals, which in-turn is used to manufacture fungicides, herbicides and insecticides formulations. In terms of volume of technical manufactured, it is one the fastest growing agrochemical companies in FY21. The company is the sole domestic manufacturer of five technicals and among the leading manufacturers globally for Captan, Folpet and Thiocarbamate herbicide. According to the management, the company has around 25-30% market share in the herbicides technicals. IPL also manufactures APIs, which are used in dermatology drugs.
- It claims to be a R&D focused company, with just around 0.4% of the revenue as expenditure towards such activities. Nevertheless, its efforts since 2018 have resulted in the commercialization of three generic off-patent technicals, which cumulatively contributed around 40% of the revenue in FY20 and FY21. Currently, the company is in the process of developing eight different technicals, which include two each from fungicides, herbicides, insecticides and intermediates.
- IPL's technicals business is B2B and is primarily exported, while the formulation business is largely B2C with domestic sales. In FY21, the company generated around 57% of the business from overseas markets by exporting technicals to over 25 countries including Australia and other countries in North & South America, Europe, Asia and Africa.
- Its ability to manufacture complex technicals in a cost effective way while meeting stringent quality norms has helped it to develop a long term relationships with various multinational companies. Its customer base includes companies like Syngenta, UPL, Conquest, etc. According to the management, none of its customers have stopped doing business with the company till date.
- As of 16<sup>th</sup> Jun. 2021, IPL has obtained regulatory approvals for the sale of 22 technicals & 125 formulations in India and sales of 27 technicals and 35 formulations for exports. Additionally, the company has applied for the registration of 11 technicals and one formulation for manufacturing and sale.
- It has two manufacturing facilities located in Uttar Pradesh (Dewa Road, Lucknow and Sandila, Hardoi) with an aggregate installed capacity of 19,500 tonnes for technical and 6,500 tonnes for the formulations. The company has the required permissions to expand the Sandila facility to 30,000 tonnes. Currently it is in the process of constructing two units at Sandila, which will be used for the production of herbicide technicals.
- Despite the Covid-19 pandemic, IPL reported a robust set of financial performance which is characterized by profitable business growth. On the back of capacity expansion and higher exports, the company reported a 36.9% CAGR rise in top-line over FY18-21 to Rs. 649cr in FY21. Business contribution from the technical and formulations stood at 78.9% and 21.1%, respectively, in FY21 as compared to 70.9% and 29.1% in FY18. Net cost of revenue increased by 35.6% CAGR (relatively lower than top-line growth), there by leading to a 134bps expansion in gross margin to 52.2% in FY21. Further with relatively lower rise in the employee and other expenses, EBITDA increased by 49% CAGR with margin expanding by 634bps over the period to be at 28.2% in FY21. With lower effective tax rate, reported PAT increased by 60.1% CAGR with 777bps expansion in margin over the period to at 20.7% in FY21. Over FY18-21, IPL reported positive operating cash flow (except for FY19), with average cash flow of Rs. 43cr. Financial liabilities declined by 9.7% CAGR with debt to equity ratio improving from 0.3x in FY18 to 0.1x in FY21. Average RoIC and RoE during the period stood at 26% and 27.1%, respectively.
- During FY19-21, IPL's top-10 customers (comprising of seven from international jurisdictions) represented around 57% of revenue. While, its largest customer represented around 22% of the revenue during the period. Since the company generated significant portion of the business from few customer, there is a risk from revenue concentration.
- Its business is working capital intensive with an average working capital cycle of 114 days over FY18-21. Trade receivables were over 40% of the top-line. Thus inability in collecting receivables would adversely affect the working capital cycle and business of the company.

At higher price band of Rs. 296, IPL is demanding a P/E multiple of 25.3x (to its FY21 earnings of Rs. 11.7 per share), which is at premium to the peer average (excluding bigger players). Thus the issue seems to be fully priced. The sector has witnessed various regulatory actions (like ban of specific set of pesticides and actions from the Pollution Control Board) in the recent years, which is a concern. Thus considering the above observations, we assign a **"Subscribe with Caution"** rating for the issue.

## About the issue:

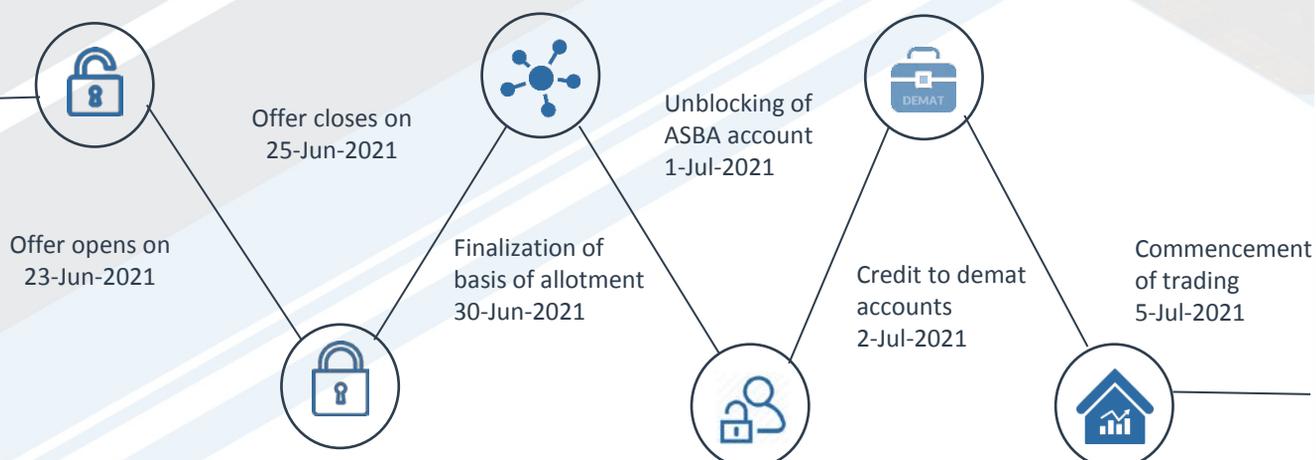
- IPL is coming up with an initial public offering (IPO) with 2.703 - 2.759cr shares (fresh issue: 0.338 - 0.345cr shares; OFS shares: 2.365 - 2.414cr shares) in offering. The offer represents around 23.47% of its post issue paid-up equity shares of the company. Total IPO size is Rs. 800cr.
- The issue will open on 23<sup>rd</sup> Jun. 2021 and close on 25<sup>th</sup> Jun. 2021.
- The issue is through book building process with a price band of Rs. 290 - 296 per share.
- The issue is a combination of fresh issue and OFS. The company will not receive any proceeds from the OFS portion. Of the net proceeds from the fresh issue, Rs. 80cr will be utilized to fund the working capital requirement of the company. Residual funds will be used for general corporate purposes.
- 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 82.68% stake in the company and post-IPO this will come down to 66.17%. Public holding will increase from current 17.32% to 33.83%.

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

	Pre-issue	Post-issue (at higher price band)
Promoter & Promoter Group (%)	82.68%	66.17%
Public (%)	17.32%	33.83%

Source: Choice Equity Broking

## Indicative IPO process time line:



## Financial performance:

**Performance over FY18-21:** Despite the Covid-19 pandemic, IPL reported a robust set of financial performance which is characterized by profitable business growth. On the back of capacity expansion and higher exports, the company reported a 36.9% CAGR rise in top-line over FY18-21 to Rs. 649cr in FY21. Business contribution from the technical and formulations stood at 78.9% and 21.1%, respectively, in FY21 as compared to 70.9% and 29.1% in FY18.

Net cost of revenue increased by 35.6% CAGR (relatively lower than top-line growth), there by leading to a 134bps expansion in gross margin to 52.2% in FY21. Further with relatively lower rise in the employee and other expenses, EBITDA increased by 49% CAGR with margin expanding by 634bps over the period to be at 28.2% in FY21.

With lower effective tax rate, reported PAT increased by 60.1% CAGR with 777bps expansion in margin over the period to at 20.7% in FY21.

Over FY18-21, IPL reported positive operating cash flow (except for FY19), with average cash flow of Rs. 43cr. Financial liabilities declined by 9.7% CAGR with debt to equity ratio improving from 0.3x in FY18 to 0.1x in FY21. Average RoIC and RoE during the period stood at 26% and 27.1%, respectively.

Revenue from operations	253.2	340.7	479.6	649.0	36.9%	35.3%
EBITDA	55.4	65.3	93.6	183.1	49.0%	95.7%
Reported PAT	32.8	43.9	70.8	134.5	60.1%	90.0%
Restated adjusted EPS	2.8	3.8	6.1	11.7	46.9%	61.2%
Cash flow from operating activities	16.0	(3.4)	75.2	83.3	73.2%	10.8%
NOPLAT	35.3	44.3	66.6	132.9	55.5%	99.6%
FCF		(3.0)	0.6	7.4		1106.3%
RoIC (%)	23.0%	22.0%	25.0%	33.9%	1,090 bps	892 bps
Revenue growth rate (%)		34.6%	40.8%	35.3%		
EBITDA growth rate (%)		17.9%	43.3%	95.7%		
EBITDA margin (%)	21.9%	19.2%	19.5%	28.2%	634 bps	871 bps
EBIT growth rate (%)		18.2%	44.3%	100.0%		
EBIT margin (%)	20.5%	18.0%	18.4%	27.3%	678 bps	882 bps
Restated reported PAT growth rate (%)		33.9%	61.2%	90.0%		
Restated reported PAT margin (%)	13.0%	12.9%	14.8%	20.7%	777 bps	597 bps
Inventory days	56.3	53.4	53.4	63.9	4.3%	19.6%
Debtor days	179.9	162.4	137.5	111.8	-14.7%	-18.8%
Payable days	(107.7)	(89.4)	(84.0)	(79.7)	-9.5%	-5.1%
Cash conversion cycle	128.5	126.4	107.0	95.9	-9.3%	-10.4%
Fixed asset turnover ratio (x)	3.5	4.5	4.8	4.8	10.5%	-0.2%
Total asset turnover ratio (x)	1.1	1.1	1.3	1.3	6.0%	-4.3%
Current ratio (x)	2.0	2.2	2.9	3.3	17.4%	15.3%
Debt to equity (x)	0.3	0.3	0.1	0.1	-35.2%	-27.3%
Net debt to EBITDA (x)	0.8	0.9	0.3	(0.0)		
RoE (%)	22.8%	23.5%	27.6%	34.5%	1,174 bps	697 bps
RoA (%)	13.6%	13.8%	19.4%	26.0%	1,237 bps	666 bps
RoCE (%)	32.1%	29.2%	32.0%	43.6%	1,151 bps	1,160 bps

Source: Choice Equity Broking



### Competitive strengths:

- Strong R&D and product development capabilities
- Diversified portfolio of niche and quality specialized products
- Long-term relationship with key customers
- Advanced manufacturing facilities with focus on environment, health and safety
- Strong sourcing capabilities and extensive distribution network
- Consistent track record of financial performance
- Experienced promoters and strong management team

### Business strategy:

- Continue to focus on R&D and process innovation to expand the product portfolio, grow customer base and revenue share with existing customers
- Focus on cost optimization
- Capitalize on industry opportunities
- Grow the portfolio of formulation products
- Expand business and geographical footprint through inorganic growth



### Risk and concerns:

- Unfavorable government policies
- Revenue concentration risk
- Unfavorable raw material prices
- Unfavorable forex movements
- Working capital intensive operations
- Competition

## Financial statements:

### Standalone profit and loss statement (Rs. cr)

	FY18	FY19	FY20	FY21	CAGR over FY18 - 21 (%)	Annual growth over FY20 (%)
<b>Revenue from operations</b>	<b>253.2</b>	<b>340.7</b>	<b>479.6</b>	<b>649.0</b>	<b>36.9%</b>	<b>35.3%</b>
Cost of materials consumed	(119.8)	(194.5)	(256.6)	(330.1)	40.2%	28.6%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(4.7)	7.4	3.5	19.7	-261.5%	461.1%
<b>Gross profit</b>	<b>128.7</b>	<b>153.6</b>	<b>226.5</b>	<b>338.5</b>	<b>38.0%</b>	<b>49.4%</b>
Employee benefits expense	(12.1)	(13.4)	(16.4)	(22.7)	23.6%	38.7%
Other expenses	(61.2)	(74.9)	(116.6)	(132.7)	29.4%	13.8%
<b>EBITDA</b>	<b>55.4</b>	<b>65.3</b>	<b>93.6</b>	<b>183.1</b>	<b>49.0%</b>	<b>95.7%</b>
Depreciation and amortization expense	(3.5)	(4.0)	(5.1)	(6.1)	20.5%	21.0%
<b>EBIT</b>	<b>51.9</b>	<b>61.3</b>	<b>88.5</b>	<b>177.0</b>	<b>50.5%</b>	<b>100.0%</b>
Finance costs	(4.4)	(5.6)	(5.2)	(3.4)	-7.7%	-34.2%
Other income	2.7	5.4	10.1	6.4	34.2%	-36.4%
<b>PBT</b>	<b>50.2</b>	<b>61.1</b>	<b>93.4</b>	<b>179.9</b>	<b>53.1%</b>	<b>92.7%</b>
Tax expenses	(17.4)	(17.2)	(22.6)	(45.4)	37.7%	101.2%
<b>Reported PAT</b>	<b>32.8</b>	<b>43.9</b>	<b>70.8</b>	<b>134.5</b>	<b>60.1%</b>	<b>90.0%</b>

### Standalone balance sheet statement (Rs. cr)

	FY18	FY19	FY20	FY21	CAGR over FY18 - 21 (%)	Annual growth over FY20 (%)
Equity share capital	3.2	3.2	3.2	11.2	52.0%	251.2%
Other equity	140.7	183.8	253.7	378.3	39.0%	49.1%
Non current borrowings	10.3	14.8	12.0	7.8	-8.9%	-35.1%
Other non current financial liabilities			0.1	0.1		2.7%
Non current provisions	0.2	0.4	0.5	0.7	40.8%	27.8%
Non current net deferred tax liabilities	7.4	7.6	7.3	8.1	2.9%	10.9%
Current borrowings	32.6	43.8	13.5	22.5	-11.6%	66.2%
Other current financial liabilities	5.6	5.7	6.7	5.2	-2.4%	-21.4%
Trade payables	36.7	54.9	61.5	74.0	26.3%	20.3%
Current provisions	0.0	0.0	0.1	3.2	433.1%	5901.9%
Current net tax liabilities	0.6	0.3	0.8	0.5	-3.8%	-34.3%
Other current liabilities	2.9	2.8	6.3	5.4	22.5%	-14.3%
<b>Total liabilities</b>	<b>240.4</b>	<b>317.2</b>	<b>365.7</b>	<b>517.1</b>	<b>29.1%</b>	<b>41.4%</b>
Property, plant and equipment	68.8	69.8	95.0	120.0	20.4%	26.3%
Intangible assets	0.2	0.2	0.2	0.1	-18.0%	-26.1%
Capital work-in-progress	2.5	4.7	1.2	11.9	68.3%	927.2%
Intangible assets under development	0.3	0.3				
Right of use assets			4.3	4.4		2.3%
Non current investments	3.3	3.1	3.0	9.9	44.2%	226.1%
Other non current financial assets	3.8	3.8	4.9	2.8	-9.5%	-41.7%
Other non current assets	0.9	2.0	2.1	1.2	8.5%	-44.1%
Inventories	19.2	35.5	38.6	70.1	53.9%	81.7%
Trade receivables	124.8	178.3	183.2	214.2	19.7%	16.9%
Cash and cash equivalents	3.5	2.8	8.0	43.0	130.9%	435.1%
Other current financial assets	1.2	1.0	0.7	0.1	-53.7%	-82.8%
Other current assets	11.9	15.8	24.7	39.4	49.1%	59.8%
<b>Total assets</b>	<b>240.4</b>	<b>317.2</b>	<b>365.7</b>	<b>517.1</b>	<b>29.1%</b>	<b>41.4%</b>

Source: Choice Equity Broking

## Financial statements:

### Standalone cash flow statement (Rs. cr)

Particulars (Rs. mn)	FY18	FY19	FY20	FY21	CAGR over FY18 - 21 (%)	Annual growth over FY20 (%)
Cash flow before working capital changes	56.4	68.3	100.9	189.8	49.8%	88.2%
Change in working capital	(24.8)	(54.4)	(3.4)	(61.6)	35.5%	1702.5%
<b>Cash flow from operating activities</b>	<b>16.0</b>	<b>(3.4)</b>	<b>75.2</b>	<b>83.3</b>	<b>73.2%</b>	<b>10.8%</b>
Purchase of property, plant & equipment	(11.9)	(7.2)	(30.8)	(41.9)	52.2%	35.9%
<b>Cash flow from investing activities</b>	<b>(12.8)</b>	<b>(6.6)</b>	<b>(31.1)</b>	<b>(84.0)</b>	<b>87.3%</b>	<b>170.4%</b>
<b>Cash flow from financing activities</b>	<b>(2.2)</b>	<b>9.3</b>	<b>(39.0)</b>	<b>(4.1)</b>	<b>23.4%</b>	<b>-89.5%</b>
<b>Net cash flow</b>	<b>1.1</b>	<b>(0.7)</b>	<b>5.1</b>	<b>(4.8)</b>		
Effect of foreign exchange fluctuation	1.3	2.4	1.6	6.7	73.6%	312.1%
Opening balance of cash	2.4	1.6	6.7	1.9	-6.8%	-71.6%
<b>Closing balance of cash</b>	<b>8.1</b>	<b>9.9</b>	<b>29.7</b>	<b>21.9</b>	<b>91.2%</b>	<b>200.1%</b>

### Standalone financial ratios

Particulars (Rs. mn)	FY18	FY19	FY20	FY21
Revenue growth rate (%)		34.6%	40.8%	35.3%
EBITDA growth rate (%)		17.9%	43.3%	95.7%
EBITDA margin (%)	21.9%	19.2%	19.5%	28.2%
EBIT growth rate (%)		18.2%	44.3%	100.0%
EBIT margin (%)	20.5%	18.0%	18.4%	27.3%
PAT growth rate (%)		33.9%	61.2%	90.0%
PAT margin (%)	13.0%	12.9%	14.8%	20.7%

### Turnover ratios

Inventories turnover ratio (x)	13.2	12.4	12.9	11.9
Trade receivable turnover ratio (x)	2.0	2.2	2.7	3.3
Accounts payable turnover ratio (x)	6.9	7.4	8.2	9.6
Fixed asset turnover ratio (x)	3.5	4.5	4.8	4.8
Total asset turnover ratio (x)	1.1	1.1	1.3	1.3

### Return ratios

RoE (%)	22.8%	23.5%	27.6%	34.5%
RoA (%)	13.6%	13.8%	19.4%	26.0%
RoCE (%)	32.1%	29.2%	32.0%	43.6%

### Per share data

Restated reported EPS (Rs.)	2.8	3.8	6.1	11.7
Restated DPS (Rs.)	0.1	0.1	0.1	0.3
Restated BVPS (Rs.)	12.5	16.2	22.3	33.8
Restated operating cash flow per share (Rs.)	1.4	(0.3)	6.5	7.2
Restated free cash flow per share (Rs.)		(0.3)	0.1	0.6
Dividend payout ratio	1.9%	1.4%	0.9%	2.6%

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

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+91-022-6707 9999



[www.choicebroking.in](http://www.choicebroking.in)



+91-022-6707 9959

**Choice Equity Broking Pvt. Ltd.**

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