



**Choice**

Nurturing Financial Excellence

# IPO REPORT

**“SUBSCRIBE” to  
Dodla Dairy Ltd.**

Structural growth story at attractive valuation

## Salient features of the IPO:

- Dodla Dairy Ltd. (DDL)**, one of the largest dairy companies in India is planning to raise up to Rs. 520cr through an IPO, which opens on 16<sup>th</sup> Jun. and closes on 18<sup>th</sup> Jun. 2021. The price band is Rs. 421 - 428 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. 32.3cr will be utilized to repay or prepayment of debt availed by the company and Rs. 7.2cr will be used to fund incremental capex requirement. Residual funds will be used for general corporate purposes.
- On 2<sup>nd</sup> Feb. 2021, the company executed a private placement, allocating 0.265cr shares to International Finance Corporation at Rs. 377. Further, on 11<sup>th</sup> Jun. 2021, few members of the promoter group transferred 0.097cr shares to SBI Mutual Fund at a price of Rs. 411.5.

## Key competitive strengths:

- Consumer focused dairy company with a diverse range of products under the "Dodla Dairy" and "Dodla" brands
- Integrated business model with well-defined procurement, processing and distribution capabilities
- Focused engagement and long term relationship with dairy farmers
- Stringent quality control procedures
- Financial growth and operational efficiencies
- Experienced Board and senior management team

## Risk and concerns:

- Unfavorable government policies
- Subdued institutional sales post Covid-19 pandemic
- Unfavorable movement in the raw milk prices
- Difficulty in improving the VAP sales
- Competition

**Peer comparison and valuation:** At higher price band of Rs. 428, DDL is demanding a P/E multiple of 51.1x (to its FY20 earnings of Rs. 8.4 per share), which is at discount to the peer average of 57.7x.

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

- India is the global leader in milk production, contributing around 30% of milk production in 2020. Over FY15-20, domestic dairy market has grown by 10% CAGR to reach a size of Rs. 6.7lakh crore in FY20. This growth was on the back of a 6-7% increase in volumes and 3-4% increase in price realizations. Dairy product includes milk, traditional value added products (VAP) like butter, ghee, paneer, khoa, curd & skimmed milk powder) and embedded value products (flavored milk, ice cream, yoghurt, cheese and whey).
- Milk was classified as an essential item and hence the sector was not severely impacted by the pandemic led lockdown and restrictions. Thus in FY21, the sector is expected to grow at a much slower pace. With economic growth expected to gradually pick up, demand from the hotels, restaurants and cafes return, the sector is anticipated to grow at 10-11% CAGR over FY21-25.

Recommendation	SUBSCRIBE
Price band	Rs. 421 - 428 per share
Face value	Rs. 10
Shares for fresh issue	0.117 - 0.119cr shares
Shares for OFS	1.099cr shares
Fresh issue size	Rs. 50cr
OFS issue size	Rs. 462.5 - 470.2cr
Total issue size	1.215 - 1.217cr shares (Rs. 512.5 - 520.2cr)
Bidding date	16 <sup>th</sup> Jun. - 18 <sup>th</sup> Jun. 2021
MCAP at higher price band	Rs. 2,546cr
Enterprise value at higher price band	Rs. 2,514cr
Book running lead manager	ICICI Securities Ltd. and Axis Capital Ltd.
Registrar	KFIN Technologies Pvt. Ltd.
Sector/Industry	Packaged Foods
Promoters	Mr. Dodla Sunil Reddy, Mr. Dodla Sesha Reddy and Dodla Family Trust

Issue breakup		
Category	Percent of issue (%)	Number of shares
QIB portion	50%	0.608 - 0.609cr shares
Non institutional portion	15%	0.182 - 0.183cr shares
Retail portion	35%	0.425 - 0.426cr shares

Indicative IPO process time line	
Finalization of basis of allotment	23 <sup>rd</sup> Jun. 2021
Unblocking of ASBA account	24 <sup>th</sup> Jun. 2021
Credit to demat accounts	25 <sup>th</sup> Jun. 2021
Commencement of trading	28 <sup>th</sup> Jun. 2021

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	66.85%	62.54%
Public	33.15%	37.46%
<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	35	
Application money	Rs. 14,980 per Lot	

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## 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 (%)
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<b>Dodla Dairy Ltd.</b>	<b>10</b>	<b>428</b>	<b>2,546</b>	<b>2,514</b>					<b>2,139</b>	<b>141</b>	<b>50</b>	<b>6.6%</b>	<b>2.3%</b>
Hatsun Agro Products Ltd.	1	900	19,402	20,268	106.0%	202.0%	154.0%	1063.0%	5,308	550	112	10.4%	2.1%
Heritage Foods Ltd.	5	415	1,926	2,128	17.6%	26.4%	33.8%	64.0%	2,726	(382)	(160)	-14.0%	-5.9%
Parag Milk Foods Ltd.	10	138	1,162	1,504	-0.4%	36.3%	24.7%	48.9%	2,438	211	94	8.6%	3.8%
<b>Average</b>												<b>1.7%</b>	<b>0.0%</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	3Y average total asset turnover (x)	3Y average RoE (%)	3Y average RoIC (%)
<b>Dodla Dairy Ltd.</b>	<b>16.0%</b>	<b>11.8%</b>	<b>-6.4%</b>	<b>7.2%</b>	<b>3.2%</b>	<b>35.6%</b>	<b>37.6%</b>	<b>17.4</b>	<b>2.4</b>	<b>13.6%</b>	<b>13.5%</b>
Hatsun Agro Products Ltd.	11.3%	21.7%	11.2%	9.4%	2.2%	37.0%	41.1%	15.6	2.1	17.2%	14.0%
Heritage Foods Ltd.	7.2%	22.2%		-7.5%	0.0%	-30.4%	-1.9%	14.1	1.9	-5.6%	-49.7%
Parag Milk Foods Ltd.	11.7%	4.6%	3.7%	9.3%	4.4%	11.4%		62.9	1.5	12.4%	14.3%
<b>Average</b>	<b>10.0%</b>	<b>16.2%</b>	<b>7.5%</b>	<b>3.7%</b>	<b>2.2%</b>	<b>6.0%</b>	<b>19.6%</b>	<b>30.9</b>	<b>1.8</b>	<b>8.0%</b>	<b>-7.2%</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>Dodla Dairy Ltd.</b>	<b>8.4</b>	<b>98.1</b>	<b>4.9</b>	<b>0.3</b>	<b>2.3</b>	<b>8.5%</b>	<b>12.2%</b>	<b>51.1</b>	<b>4.4</b>	<b>1.2</b>	<b>17.8</b>	<b>1.2</b>	<b>2.0%</b>
Hatsun Agro Products Ltd.	5.2	42.0	5.4	1.0	2.0	12.4%	14.4%	172.8	21.5	3.8	36.8	3.7	0.6%
Heritage Foods Ltd.	(34.5)	99.1	2.0	0.6	2.8	-34.9%	-64.6%	(12.0)	4.2	0.8	(5.6)	0.7	-8.3%
Parag Milk Foods Ltd.	11.1	108.3	1.2	0.4	1.4	10.3%	16.2%	12.4	1.3	0.6	7.1	0.5	8.1%
<b>Average</b>			<b>2.9</b>	<b>0.7</b>	<b>2.1</b>	<b>-4.1%</b>	<b>-11.3%</b>	<b>57.7</b>	<b>9.0</b>	<b>1.7</b>	<b>12.8</b>	<b>1.6</b>	<b>0.1%</b>

Source: Choice Broking Research

- DDL is an integrated dairy company based in South India, primarily deriving all of its revenue from the sale of milk and dairy based VAPs in the branded consumer market. Amongst private dairy players with presence in the southern region of India, the company is the third highest in terms of milk procurement per day with an average procurement of 1.03mn liters of raw milk per day. It is also the second highest in terms of pan-India market presence amongst the private dairies.
- The company's operations are primarily spread across five Indian states i.e. Andhra Pradesh, Telangana, Karnataka, Tamil Nadu and Maharashtra with products sold under brands like "Dodla Dairy", "Dodla" and "KC+". It also has an overseas operation in Uganda and Kenya.
- As of 31<sup>st</sup> Mar. 2021, DDL procured raw milk mainly from around 0.11mn farmers through 6,771 village level collection centers and 232 dairy farms. Over the period, the company has consistently increased its direct procurement from the farmers and reduced the dependence on third party suppliers from 13.6% in FY18 to 5.7% in FY20. On processing front, it had 13 processing plants (12 owned and one leased) with an aggregate installed capacity of 1.7mn liter per day.
- DDL process and sells retail milk (full cream, standardized, toned and double toned) and produce VAPs such as curd, ultra-high temperature processed milk, ghee, butter, flavored milk and ice cream amongst others. The company also manufactures and sells cattle feed to farmers through its procurement network. In FY20, the company derived 72.8% and 27.2% of the business from the sales of milk and VAPs, respectively.
- Historically, the sale of processed milk has been the primary revenue driver for the company with average business contribution of around 28% from VAPs. In order to further grow its profitability, DDL intends to supplement its revenue by increasing the sales of VAPs. Curd is a large VAP for the company, going forward it is planning to introduce new variants of cheese and other products at lower price points (i.e. Rs. 10), to expand its product portfolio and consumer reach.
- On financial performance front, mainly on the back of higher process capacity and procurement & distribution reach DDL has reported a robust business growth with almost stable operating margins. Over FY18-20, the company has reported 16% CAGR rise in consolidated total operating revenue to Rs. 2,139.4cr in FY20. Net cost of revenue increased by 15.4% CAGR (lower than top-line growth), thereby leading to a 76% expansion in the gross margin. However, with higher employee costs and other expenses, EBITDA margin contracted by 50bps over FY18-20 to 6.6% in FY20. Consolidated EBITDA increased by 11.8% CAGR to Rs. 140.9cr, while reported PAT declined by 6.4% CAGR (mainly due to higher depreciation and finance costs) to be at Rs. 49.9cr in FY20. PAT margin contracted from 3.6% in FY18 to 2.3% in FY20. DDL reported positive operating cash flow, which increased by 37.6% CAGR. Financial liabilities increased by 12.9% CAGR with an average net-debt to EBITDA ratio of 0.9x. Average RoIC and RoE during the period stood at 14.3% and 14.6%, respectively.

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

- For the 9M FY21, the company's operations in the initial days were impacted by the pandemic led lockdown. Since milk as a product coming under essential item, its operations recovered with less severe impact. It reported a top-line of Rs. 1,413.5cr with EBITDA and PAT margins of 14.6% and 8.2% respectively. Higher profitability was mainly due to lower cost of revenue. Nevertheless, we feel that this higher profitability is not sustainable in the medium to long term.
- On 2nd Feb. 2021, the company executed a private placement, allocating 0.265cr shares to International Finance Corporation at Rs. 377. Further, on 11th Jun. 2021, few members of the promoter group transferred 0.097cr shares to SBI Mutual Fund at a price of Rs. 411.5.
- At higher price band of Rs. 428, DDL is demanding a P/E multiple of 51.1x (to its FY20 earnings of Rs. 8.4 per share), which is at discount to the peer average of 57.7x. Forecasting an FY21 EPS of Rs. 25, demanded TTM P/E comes out to 17.1x, which is again at discount to the peer average.

With rising health awareness post the pandemic, changing demographics and rising preferences for packed & branded milk products, the demand of milk & milk products are likely to continue to be strong. Additionally, the improved demand from hotels, restaurants and cafes post pandemic would further aid growth of the dairy sector. DDL being one of the largest players in South India with integrated operations and wide product portfolio is expected to benefit from the same. Thus considering the above observations we assign a **"SUBSCRIBE"** rating for the issue.

## About the issue:

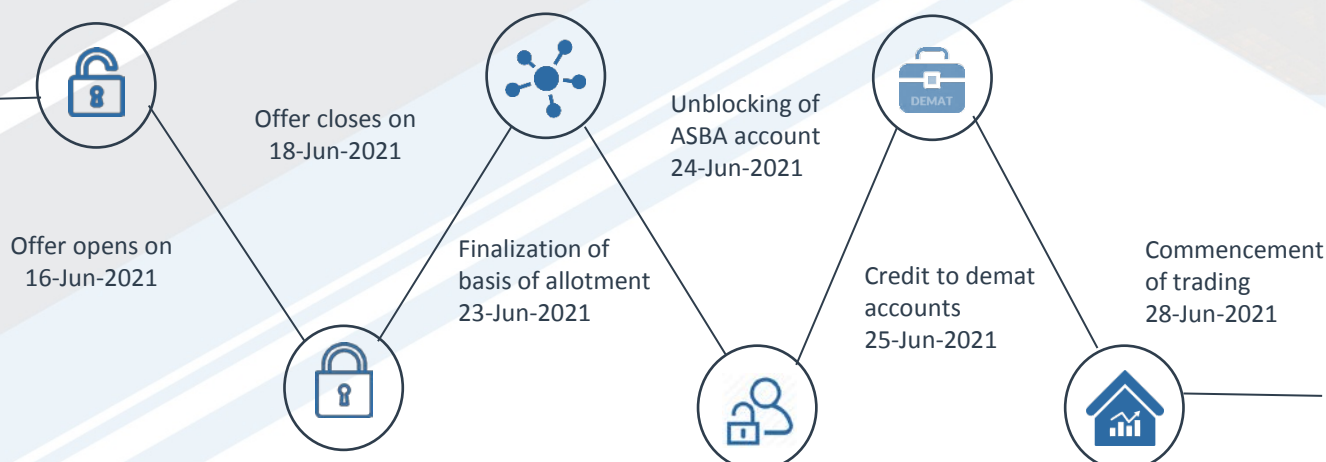
- DDL is coming up with an initial public offering (IPO) with 1.215 - 1.217cr shares (fresh issue: 0.117 - 0.119cr shares; OFS shares: 1.099cr shares) in offering. The offer represents around 20.43% of its post issue paid-up equity shares of the company. Total IPO size is Rs. 512.5 - 520.2cr.
- The issue will open on 16<sup>th</sup> Jun. 2021 and close on 18<sup>th</sup> Jun. 2021.
- The issue is through book building process with a price band of Rs. 421 - 428 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. 32.3cr will be utilized to repay or prepayment of debt availed by the company and Rs. 7.2cr will be used to fund incremental capex requirement. 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 66.85% stake in the company and post-IPO this will come down to 62.54%. Public holding will increase from current 33.15% to 37.46%.

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

	Pre-issue	Post-issue (at higher price band)
Promoter & Promoter Group (%)	66.85%	62.54%
Public (%)	33.15%	37.46%

Source: Choice Equity Broking

## Indicative IPO process time line:



## Financial performance:

**Performance over FY18-21:** On financial performance front, mainly on the back of higher process capacity and procurement & distribution reach DDL has reported a robust business growth with almost stable operating margins. Over FY18-20, the company has reported 16% CAGR rise in consolidated total operating revenue to Rs. 2,139.4cr in FY20.

Net cost of revenue increased by 15.4% CAGR (lower than top-line growth), thereby leading to a 76% expansion in the gross margin. However, with higher employee costs and other expenses, consolidated EBITDA increased by 11.8% CAGR to Rs. 140.9cr in FY20. EBITDA margin contracted by 50bps over FY18-20 to 6.6% in FY20.

On the back of higher process capacity, depreciation charge increased by 32.7% CAGR, while higher interest cost led to a 21.7% CAGR rise in finance costs. Consequently, consolidated reported PAT declined by 6.4% CAGR to be at Rs. 49.9cr in FY20. PAT margin contracted from 3.6% in FY18 to 2.3% in FY20.

Over FY18-20, DDL reported positive operating cash flow, which increased by 37.6% CAGR. Financial liabilities increased by 12.9% CAGR with an average net-debt to EBITDA ratio of 0.9x. Average RoIC and RoE during the period stood at 14.3% and 14.6%, respectively.

**Performance during 9M FY21:** For the 9M FY21, the company's operations in the initial days were impacted by the pandemic led lockdown. Since milk as a product coming under essential item, its operations recovered with less severe impact. It reported a top-line of Rs. 1,413.5cr with EBITDA and PAT margins of 14.6% and 8.2% respectively. Higher profitability was mainly due to lower cost of revenue.

Consolidated financial snapshot (Rs. cr)	FY18	FY19	FY20	9M FY21	CAGR (%)	Y-o-Y (%, Annual)
Revenue from operations	1,590.5	1,691.7	2,139.4	1,413.5	16.0%	26.5%
EBITDA	112.7	134.2	140.9	206.5	11.8%	5.0%
Reported PAT	56.9	62.8	49.9	116.4	-6.4%	-20.5%
Restated adjusted EPS	9.6	10.5	8.4	19.6	-6.4%	-20.5%
Cash flow from operating activities	87.5	135.6	165.6	195.4	37.6%	22.1%
NOPLAT	65.2	72.3	68.1	122.1	2.2%	-5.8%
FCF		7.0	29.9			325.4%
RoIC (%)	17.7%	13.3%	11.9%	17.9%	(576) bps	(139) bps
Revenue growth rate (%)		6.4%	26.5%			
EBITDA growth rate (%)		19.0%	5.0%			
EBITDA margin (%)	7.1%	7.9%	6.6%	14.6%	(50) bps	(134) bps
EBIT growth rate (%)		14.5%	-5.5%			
EBIT margin (%)	5.3%	5.7%	4.3%	11.9%	(104) bps	(145) bps
Restated reported PAT growth rate (%)		10.3%	-20.5%			
Restated reported PAT margin (%)	3.6%	3.7%	2.3%	8.2%	(125) bps	(138) bps
Inventory days	39.7	37.6	27.3	31.9	-17.2%	-27.5%
Debtor days	0.8	1.2	1.2	0.6	22.4%	5.1%
Payable days	(18.5)	(20.1)	(17.1)	(21.7)	-3.8%	-14.7%
Cash conversion cycle	22.0	18.7	11.4	10.8	-28.2%	-39.2%
Fixed asset turnover ratio (x)	4.6	3.3	3.9	2.6	-8.2%	18.2%
Total asset turnover ratio (x)	2.6	2.2	2.7	1.6	1.2%	18.8%
Current ratio (x)	1.1	1.2	1.1	1.9	-0.7%	-5.2%
Debt to equity (x)	0.5	0.5	0.5	0.3	-0.1%	-10.8%
Net debt to EBITDA (x)	0.7	1.3	0.8	(0.1)	7.5%	-33.5%
RoE (%)	16.8%	15.4%	11.5%	21.2%	(525) bps	(394) bps
RoA (%)	9.3%	8.3%	6.2%	13.5%	(311) bps	(212) bps
RoCE (%)	20.8%	16.9%	15.3%	23.9%	(549) bps	(155) bps

Source: Choice Equity Broking



## Competitive strengths:

- Consumer focused dairy company with a diverse range of products under the “Dodla Dairy” and “Dodla” brands
- Integrated business model with well-defined procurement, processing and distribution capabilities
- Focused engagement and long term relationship with dairy farmers
- Stringent quality control procedures
- Financial growth and operational efficiencies
- Experienced Board and senior management team

## Business strategy:

- Enhance brand visibility and expand the reach of the products
- Further strengthen procurement and processing operations
- Expand operations domestically and internationally by way of organic and inorganic growth
- Increase revenues from dairy based VAPs
- Research and development in dairy farming and allied activities



## Risk and concerns:

- Unfavorable government policies
- Subdued institutional sales post Covid-19 pandemic
- Unfavorable movement in the raw milk prices
- Difficulty in improving the VAP sales
- Competition

## Financial statements:

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

	FY18	FY19	FY20	9M FY21	CAGR over FY18 - 20 (%)	Annual growth over FY19 (%)
<b>Revenue from operations</b>	<b>1,590.5</b>	<b>1,691.7</b>	<b>2,139.4</b>	<b>1,413.5</b>	<b>16.0%</b>	<b>26.5%</b>
Cost of materials consumed	(1,274.4)	(1,242.5)	(1,583.1)	(995.7)	11.5%	27.4%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	42.7	(14.1)	(57.5)	40.8		308.6%
<b>Gross profit</b>	<b>358.8</b>	<b>435.1</b>	<b>498.8</b>	<b>458.6</b>	<b>17.9%</b>	<b>14.6%</b>
Employee benefits expense	(65.0)	(76.7)	(91.1)	(66.6)	18.4%	18.9%
Other expenses	(181.1)	(224.3)	(266.8)	(185.5)	21.4%	18.9%
<b>EBITDA</b>	<b>112.7</b>	<b>134.2</b>	<b>140.9</b>	<b>206.5</b>	<b>11.8%</b>	<b>5.0%</b>
Depreciation and amortization expense	(27.9)	(37.1)	(49.2)	(38.2)	32.7%	32.6%
<b>EBIT</b>	<b>84.8</b>	<b>97.1</b>	<b>91.7</b>	<b>168.3</b>	<b>4.0%</b>	<b>-5.5%</b>
Finance costs	(10.9)	(11.6)	(16.1)	(9.7)	21.7%	39.6%
Other income	6.5	7.8	6.3	3.5	-2.0%	-19.4%
<b>PBT</b>	<b>80.4</b>	<b>93.3</b>	<b>81.9</b>	<b>162.1</b>	<b>0.9%</b>	<b>-12.2%</b>
Tax expenses	(23.6)	(30.5)	(32.0)	(45.7)	16.5%	4.9%
<b>Reported PAT</b>	<b>56.9</b>	<b>62.8</b>	<b>49.9</b>	<b>116.4</b>	<b>-6.3%</b>	<b>-20.5%</b>
Minority interest	0.0					
<b>Reported PAT</b>	<b>56.9</b>	<b>62.8</b>	<b>49.9</b>	<b>116.4</b>	<b>-6.4%</b>	<b>-20.5%</b>

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

	FY18	FY19	FY20	9M FY21	CAGR over FY18 - 20 (%)	Annual growth over FY19 (%)
Equity share capital	3.3	55.7	55.7	55.7	312.3%	0.0%
Other equity	336.3	350.7	377.8	494.0	6.0%	7.7%
Non current borrowings	31.5	126.4	110.1	95.9	86.9%	-12.9%
Non current lease liabilities	5.7	7.7	7.1	8.4	11.1%	-7.6%
Non current provisions	6.9	6.5	9.5	10.7	17.4%	46.0%
Non current net deferred tax liabilities	20.7	25.8	36.5	37.9	32.7%	41.4%
Non current government grants	3.5	3.1	2.8	2.6	-9.3%	-9.4%
Current borrowings	94.3	31.4	40.0		-34.9%	27.5%
Current lease liabilities	0.9	1.4	2.6	1.5	69.3%	83.0%
Other current financial liabilities	22.5	40.7	37.8	36.8	29.5%	-7.0%
Trade payables	62.5	75.7	78.2	76.6	11.9%	3.3%
Current government grants	0.3	0.3	0.3	0.3	1.7%	0.0%
Current provisions	2.3	2.8	2.8	4.4	10.5%	1.5%
Current net tax liabilities	13.3	17.8	33.8	34.1	59.5%	89.3%
Other current liabilities	5.0	6.0	5.3	4.9	2.7%	-11.0%
<b>Total liabilities</b>	<b>609.0</b>	<b>751.9</b>	<b>800.3</b>	<b>863.8</b>	<b>14.6%</b>	<b>6.4%</b>
Property, plant and equipment	326.2	451.2	482.3	471.1	21.6%	6.9%
Intangible assets	0.7	13.4	9.9	7.4	286.3%	-26.2%
Capital work-in-progress	16.0	11.2	11.2	21.7	-16.3%	0.2%
Goodwill on consolidation		35.9	44.2	44.2		22.9%
Biological assets other than bearer plants	2.8	2.7	2.5	2.3	-4.7%	-5.8%
Non current investments	7.1	7.9	0.3		-78.1%	-95.7%
Other non current financial assets				0.0		
Non current loans	14.8	8.5	9.4	9.4	-20.5%	10.3%
Other non current tax assets	4.6	3.6	8.8	1.8	37.7%	140.1%
Non current net deferred tax assets	1.9	0.3	0.0	0.2	-89.4%	-93.3%
Other non current assets	8.6	11.2	8.8	10.4	1.4%	-20.8%
Inventories	134.1	124.9	120.2	112.7	-5.3%	-3.8%
Trade receivables	3.6	7.3	7.2	3.4	41.4%	-1.6%
Current investment	59.8	18.1	11.5	5.3	-56.1%	-36.5%
Cash and cash equivalents	14.0	21.5	68.7	162.4	121.6%	219.1%
Other current financial assets	0.2	0.2	0.6	1.1	99.4%	186.7%
Current loans	6.7	15.7	3.8	3.5	-25.1%	-76.0%
Other current assets	7.9	18.3	10.9	6.9	17.6%	-40.5%
<b>Total assets</b>	<b>609.0</b>	<b>751.9</b>	<b>800.3</b>	<b>863.8</b>	<b>14.6%</b>	<b>6.4%</b>

Source: Choice Equity Broking

## Financial statements:

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

Particulars (Rs. mn)	FY18	FY19	FY20	9M FY21	CAGR over FY18 - 20 (%)	Annual growth over FY19 (%)
Cash flow before working capital changes	114.8	139.6	144.6	208.4	12.2%	3.6%
Change in working capital	(10.4)	14.5	32.5	20.2		123.6%
<b>Cash flow from operating activities</b>	<b>87.5</b>	<b>135.6</b>	<b>165.6</b>	<b>195.4</b>	<b>37.6%</b>	<b>22.1%</b>
Purchase of property , plant & equipment	(71.7)	(97.4)	(95.3)	(36.9)	15.3%	-2.2%
<b>Cash flow from investing activities</b>	<b>(65.7)</b>	<b>(147.7)</b>	<b>(77.0)</b>	<b>(131.2)</b>	<b>8.2%</b>	<b>-47.9%</b>
<b>Cash flow from financing activities</b>	<b>(41.4)</b>	<b>60.0</b>	<b>(25.7)</b>	<b>(74.3)</b>	<b>-21.3%</b>	<b>-142.8%</b>
<b>Net cash flow</b>	<b>(19.7)</b>	<b>47.8</b>	<b>62.9</b>	<b>(10.1)</b>		<b>31.5%</b>
Effect of foreign exchange fluctuation	(23.2)	(42.8)	5.7	68.4		-113.4%
Opening balance of cash	(42.9)	5.1	68.7	58.2		1251.0%
<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>

### Consolidated financial ratios

Particulars (Rs. mn)	FY18	FY19	FY20	9M FY21
Revenue growth rate (%)		6.4%	26.5%	
EBITDA growth rate (%)		19.0%	5.0%	
EBITDA margin (%)	7.1%	7.9%	6.6%	14.6%
EBIT growth rate (%)		14.5%	-5.5%	
EBIT margin (%)	5.3%	5.7%	4.3%	11.9%
PAT growth rate (%)		10.3%	-20.5%	
PAT margin (%)	3.6%	3.7%	2.3%	8.2%
<b>Turnover ratios</b>				
Inventories turnover ratio (x)	11.9	13.1	17.5	12.5
Trade receivable turnover ratio (x)	441.2	309.6	294.6	416.7
Accounts payable turnover ratio (x)	25.5	24.5	27.8	18.5
Fixed asset turnover ratio (x)	4.6	3.3	3.9	2.6
Total asset turnover ratio (x)	2.6	2.2	2.7	1.6
<b>Return ratios</b>				
RoE (%)	16.8%	15.4%	11.5%	21.2%
RoA (%)	9.3%	8.3%	6.2%	13.5%
RoCE (%)	20.8%	16.9%	15.3%	23.9%
<b>Per share data</b>				
Restated reported EPS (Rs.)	9.6	10.5	8.4	19.6
Restated DPS (Rs.)			4.9	
Restated BVPS (Rs.)	57.1	68.3	72.9	92.4
Restated operating cash flow per share (Rs.)	14.7	22.8	27.8	32.8
Restated free cash flow per share (Rs.)		1.2	5.0	
Dividend payout ratio	0.0%	0.0%	58.0%	0.0%

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

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