



Choice

Nurturing Financial Excellence

IPO REPORT

**“Subscribe for Long Term” to
One 97 Communications Ltd.**

First unicorn and the largest payment company in India

Salient features of the IPO:

- Paytm's parent company, **One97 Communications Ltd.** (OCL), is coming up with an IPO to raise Rs. 18,300cr, which opens on 8th Nov. and closes on 10th Nov. 2021. The price band is Rs. 2,080 - 2,150 per share. OCL's IPO will be the biggest primary issue in India since Coal India Ltd.'s share sale in 2010.
- The issue is a combination of fresh and OFS. The company will not receive any proceeds from the OFS part of the issue. Of the net proceeds from the fresh issue, Rs. 4,300cr will be used for growing & strengthening the Paytm ecosystem, including acquisition & retention of consumers and merchants; Rs. 2,000cr will be utilized for investing in new business initiatives, acquisitions and strategic partnerships. Residual funds will be used for general corporate purposes.

Key competitive strengths:

- Its ecosystem allows it to address large market opportunities
- Trusted brand, scale and reach
- Its insights of Indian consumers and merchants
- Product and technology DNA
- Network effect creating sustainable advantages
- Its leadership and culture

Risk and concerns:

- Unfavorable government policies and regulations
- Fast changing technological and services landscape in the payment services domain
- Unfavorable change in the payment processing charges
- Declining acceptance of its payment platform or lower growth in the merchant base
- Revenue concentration risk
- Declining operational efficiencies and continued higher losses
- Competition

Below are the key highlights of the company:

- Digital payments have been growing steadily over-time, however India continues to be cash driven economy. In FY21, digital payments market size by value stood at around USD 20tn with 43bn transactions. With various government initiatives & reforms, improving technology, increasing reach and awareness, digital payments are expected to more than double to USD 40-50tn by FY26.
- Mobile payments are mode of payment using mobile phones, this typically includes mobile wallets and UPI. Money transfer between consumers and merchants using wallets or UPI, is becoming highly ubiquitous in India which has led to a surge in mobile payments over the last few years. Mobile payments increased by around 16x from 1.6bn in FY17 to 26bn in FY21. Further it is expected to reach a size of USD 3.1tn by FY26 from the estimated FY21 level of USD 0.6tn.
- Consumer-to-merchant (C2M) payments segment in the mobile payments is anticipated to grow by over 7x in value to USD 0.8tn by FY26 from USD 0.1tn in FY21. In C2M mobile payment segment, Paytm (digital mobile payment platform of OCL) is market leader (40% volume share) in India. Moreover, it is the market leader with around 65-70% share in the wallet payments from C2M.

Recommendation	Subscribe for Long Term
Price band	Rs. 2,080 - 2,150 per share
Face value	Rs. 1
Shares for fresh issue	3.860 - 3.990cr shares
Shares for OFS	4.651 - 4.808cr shares
Fresh issue size	Rs. 8,300cr
OFS issue size	Rs. 10,000cr
Total issue size	8.512 - 8.798cr shares (Rs. 18,300cr)
Bidding date	8 th Nov. - 10 th Nov. 2021
MCAP at higher price band	Rs. 139,379cr
Enterprise value at higher price band	Rs. 129,183cr

Book running lead manager	Morgan Stanley India Company Pvt. Ltd., Goldman Sachs (India) Securities Pvt. Ltd., Axis Capital Ltd., ICICI Securities Ltd., J.P. Morgan India Pvt. Ltd., Citigroup Global Markets India Pvt. Ltd. and HDFC Bank Ltd.
---------------------------	--

Registrar	Link Intime India Pvt. Ltd.
Sector	Fintech
Promoters	The company is a professionally managed company and does not have an identifiable promoter

Issue breakup		
Category	Percent of issue (%)	Number of shares
QIB portion	75%	6.384 - 6.599cr shares
Non institutional portion	15%	1.277 - 1.320cr shares
Retail portion	10%	0.851 - 0.880cr shares

Indicative IPO process time line	
Finalization of basis of allotment	15 th Nov. 2021
Unblocking of ASBA account	16 th Nov. 2021
Credit to demat accounts	17 th Nov. 2021
Commencement of trading	18 th Nov. 2021

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	0.00%	0.00%
Public	100.00%	100.00%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot	
Number of shares per lot	6
Application money	Rs. 12,900 per Lot

Analyst	
Rajnath Yadav	
Research Analyst (022 - 6707 9999; Ext: 912)	
Email: rajnath.yadav@choiceindia.com	

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

- Payment services are the core business of Paytm. Based on the number of consumers, number of merchants, number of transactions and revenue as of 31st Mar. 2021, Paytm is India's leading digital ecosystem for consumers and merchants (Source: RHP). As of 30th Jun. 2021, it offered payment services, commerce & cloud services and financial services to 33.7cr registered consumers and to over 2.2cr registered merchants. Paytm recorded a GMV of Rs. 4tn in FY21.
- Over its operations since around two decade, it attracted global marquee investors like Ant Group, Soft Bank and Warren Buffet. Recently, Switzerland-based re-insurance company Swiss Re has decided to invest USD 127mn for 27% stake in Paytm's general insurance arm.
- Paytm is the most integrated player with presence across various payment formats such as C2M mobile payment, POS machines, payment aggregator/gateway, in-house commerce, digital lending, payment banks, in-house insurance broking etc. On the basis of C2M transactions in FY21, Paytm was the largest payment gateway aggregator in India, with the widest ecosystem of payment instruments. Considering the increasing acceptance of digital payments and entry of new players in the market, Paytm with its integrated solutions will have an edge on the competition.
- Paytm offer consumers a wide variety of payment instruments, which include (i) major third-party instruments such as debit & credit cards and net banking, and (ii) Paytm Payment Instruments including wallet, postpaid amongst other instruments. In addition, Paytm provides merchants with various products enabling them to accept payments digitally through Paytm Payment instruments and major third party instruments.
- Many of the payment instruments or channels, such as Paytm Wallet, Paytm UPI, NACH, Paytm FASTag and fixed deposits are offered on the Paytm platforms by Paytm Payments Bank Ltd (PPBL), in which OCL owns 49% equity interest while the rest is held by Mr. Vijay Shekhar Sharma, who is the promoter of PPBL. The payment bank license allows the company to take deposits from customers and make payment services to them. Payment banks are not allowed to make credit/loan offerings, thus Paytm offers loans through its financial partners. As of 30th Jun. 2021, PPBL had 6.5cr savings accounts and in Q4 FY21, it was the largest UPI beneficiary bank with a market share of 17.1% in transaction volume.
- Paytm offers wallet and UPI services to the consumer. It collects convenience fees from the consumers for certain types of transactions. In return it distributes/sells various financial products to the consumers and earns commission from the financial partners. From merchants, it collects transaction fees, which is a percentage of GMV. Paytm also collects subscription fees from the merchants for providing products & services like Paytm Soundbox and POS. For travel, entertainment, ticketing and other commerce businesses, Paytm generates revenues by charging merchants a transaction fee and/or consumers a convenience fee.
- During FY19-21, Payment and financial services GMV increased by 32.6% CAGR to Rs. 4.03tn, while business from this segment increased by just 11.5% CAGR to Rs. 2,109.2cr in FY21. Lower business from this segment is mainly attributable to lower commission payments from the financial partners. Business from the cloud segment increased by 14% CAGR to Rs. 448cr, while business the Commerce segment declined by 54.6% CAGR to Rs. 245.2cr in FY21. Commerce segment business was impacted by Covid-19 pandemic led restrictions. With economic activities gaining strength post the second wave of the pandemic and massive vaccination drive, we believe this segment is poised to grow faster in next 2-3 years.
- Over FY19-21, consolidated top-line declined by 6.9% CAGR to Rs. 2,802.4cr in FY21. The company was loss making at operating levels, mainly due to large cost base which has gradually improved in the last three years. Marketing & promotional expenses, which was 106% of the top-line in FY19 stood at 19% in FY21. Also payment processing charges as a percent of top-line improved from 69.8% in FY19 to 68.4% in FY21, mainly due to improvement in transaction fees from banks. Since the company is building talent base, employee expenses remained higher during the period. Consequently, total operating expenditure declined by 22.4% CAGR (rate higher than top-line de-growth), there by leading to an EBITDA loss of Rs. 1,767.3cr in FY21 as compared to a loss of Rs. 4,366.1cr in FY19. Reported PAT declined in-line to EBITDA and stood at a loss of Rs. 1,696.1cr in FY21. Over FY19-21, cash flow from operating and investing activities were largely in red, however, OCL was well supported by equity funding during FY19-20.
- Based on our quick estimate, over FY21-24 we are forecasting a top-line growth of 30.9% CAGR to Rs. 6,289.8cr in FY24E, mainly on the back of 35.5% and 62.6% CAGR rise in GMV of Payment & financial services and Commerce segment. It will remain loss making at EBITDA levels over the period.

Peer comparison and valuation: There is a large section of population who are underserved in payments and financial services products. Also there is vast population of small businesses, which have not witnessed the benefits of digital commerce. Thus OCL has a large addressable market to serve. At higher price band of Rs. 2,150, it is demanding an EV/Sales multiple of 46.1x, which seems to be stretched. The demanded valuation is also at significant premium to China's Ant Group proposed IPO in 2020. Thus considering the growth potential and stretched valuations, we assign "[Subscribe for Long Term](#)" rating for the issue.

About the issue:

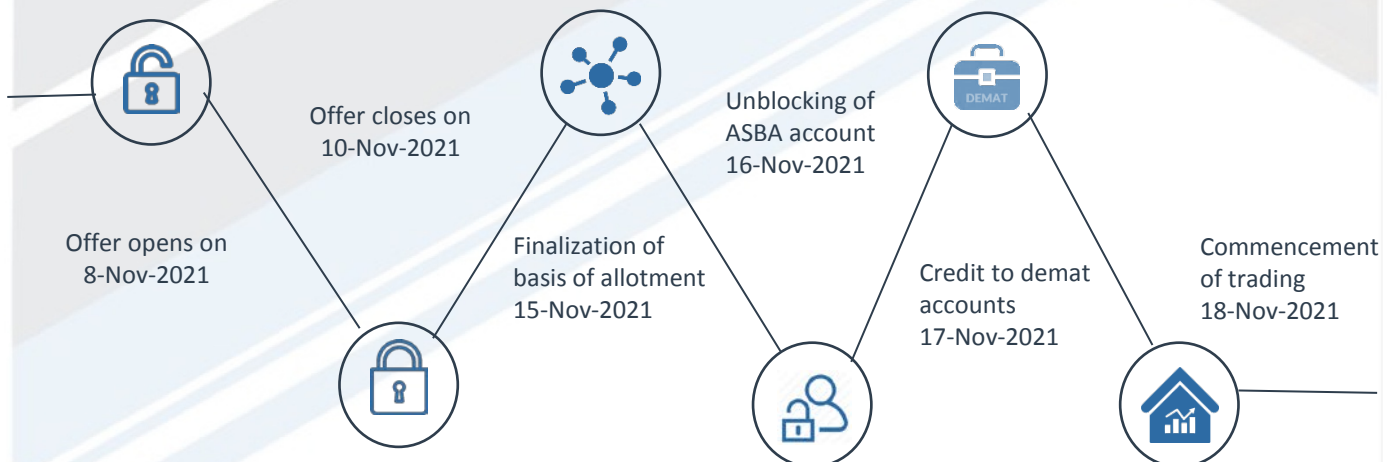
- OCL is coming up with an IPO with 8.512 - 8.798cr shares (fresh issue: 3.860 - 3.990cr shares; OFS shares: 4.651 - 4.808cr shares) in offering. The offer represents around 13.13% of its post issue paid-up equity shares of the company. Total IPO size is Rs. 18,300cr.
- The issue will open on 8th Nov. 2021 and close on 10th Nov. 2021.
- The issue is through book building process with a price band of Rs. 2,080 - 2,150 per share.
- The issue is a combination of fresh and OFS. The company will not receive any proceeds from the OFS part of the issue. Of the net proceeds from the fresh issue, Rs. 4,300cr will be used for growing & strengthening the Paytm ecosystem, including acquisition & retention of consumers and merchants; Rs. 2,000cr will be utilized for investing in new business initiatives, acquisitions and strategic partnerships. Residual funds will be used for general corporate purposes.
- 75% of the net issue are reserved for qualified institutional buyers, while 15% and 10% of the net issue is reserved for non-institutional bidders and retail investors, respectively.
- The company is a professionally managed company and does not have an identifiable promoter.

Pre and post-issue shareholding pattern (%)

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

Source: Choice Equity Broking

Indicative IPO process time line:



Financial performance:

Performance over FY19-21: During FY19-21, Payment and financial services GMV increased by 32.6% CAGR to Rs. 4.03tn, while business for the company from this segment increased by just 11.5% CAGR to Rs. 2,109.2cr in FY21. Lower business from this segment can be mainly attributable to lower commission payments from the financial partners. Business from the cloud segment increased by 14% CAGR to Rs. 448cr, while business the Commerce segment declined by 54.6% CAGR to Rs. 245.2cr in FY21. Commerce segment business was impacted by Covid-19 pandemic led restrictions. With economic activities gaining strength post the second wave of the pandemic and massive vaccination drive, we believe this segment is poised to grow faster in next 2-3 years.

Over FY19-21, consolidated top-line declined by 6.9% CAGR to Rs. 2,802.4cr in FY21. The company was loss making at operating levels, mainly due to large cost base which has gradually improved in the last three years. Marketing & promotional expenses, which was 106% of the top-line in FY19 stood at 19% in FY21. Also payment processing charges as a percent of top-line improved from 69.8 in FY19 to 68.4% in FY21, mainly due to improvement in transaction fees from banks. Since the company is building talent base, employee expenses remained higher during the period. As a result, total operating expenditure declined by 22.4% CAGR (rate higher than top-line de-growth), there by leading to an EBITDA loss of Rs. 1,767.3cr in FY21 as compared to a loss of Rs. 4,366.1cr in FY19. Reported PAT declined in-line to EBITDA and stood at a loss of Rs. 1,696.1cr in FY21.

Over FY19-21, cash flow from operating and investing activities were largely in red, however, the company was well supported by equity funding. Financial liabilities declined by 17% CAGR with debt-to-equity ratio of 0.2x in FY21.

Consolidated financial snapshot (Rs. cr)	FY19	FY20	FY21	Q1 FY21	Q1 FY22	TTM	CAGR over FY19 - 21	Annual growth over FY20	Q1 FY22 growth (Y-o-Y)
Payments services to consumers	1,085.1	1,012.0	969.2	208.5	300.5	1,061.2	-5.5%	-4.2%	44.1%
Payments services to merchants	486.0	765.8	1,011.6	197.9	334.0	1,147.7	44.3%	32.1%	68.8%
Others (including financial services)	124.4	129.0	128.4	23.4	54.9	159.9	1.6%	-0.5%	134.6%
Payment and financial services	1,695.5	1,906.8	2,109.2	429.8	689.4	2,368.8	11.5%	10.6%	60.4%
Commerce	1,191.5	710.9	245.2	26.6	51.7	270.3	-54.6%	-65.5%	94.4%
Cloud	345.0	407.9	448.0	94.8	149.7	502.9	14.0%	9.8%	57.9%
Commerce and cloud services	1,536.5	1,118.8	693.2	121.4	201.4	773.2	-32.8%	-38.0%	65.9%
<i>Sales of services</i>	<i>3,232.0</i>	<i>3,025.6</i>	<i>2,802.4</i>	<i>551.2</i>	<i>890.8</i>	<i>3,142.0</i>	<i>-6.9%</i>	<i>-7.4%</i>	<i>61.6%</i>
<i>Other operating revenue</i>		<i>255.2</i>				<i>0.0</i>			
Revenue from operations	3,232.0	3,280.8	2,802.4	551.2	890.8	3,142.0	-6.9%	-14.6%	61.6%
EBITDA	(4,366.1)	(2,634.4)	(1,767.3)	(331.6)	(370.9)	(1,806.6)	-36.4%	-32.9%	11.9%
Reported PAT	(4,181.6)	(2,842.2)	(1,696.1)	(281.9)	(380.2)	(1,794.4)	-36.3%	-40.3%	34.9%
Restated reported EPS	(64.5)	(43.8)	(26.2)	(4.3)	(5.9)	(27.7)	-36.3%	-40.3%	34.9%
Cash flow from operating activities	(4,475.9)	(2,376.6)	(2,082.5)	(210.3)	330.7	(1,541.5)	-31.8%	-12.4%	-257.3%
NOPLAT	(4,478.3)	(2,810.6)	(1,948.7)	(366.9)	(415.7)	(1,996.0)	-34.0%	-30.7%	13.3%
FCF		(3,647.5)	(2,437.8)		(704.7)			-33.2%	
RoIC (%)	-92.4%	-52.3%	-33.8%	-7.5%	-8.0%	-38.3%	5,858 bps	1,843 bps	(52) bps
Revenue growth rate (%)		1.5%	-14.6%		61.6%				
EBITDA growth rate (%)		-39.7%	-32.9%		11.9%				
EBITDA margin (%)	-135.1%	-80.3%	-63.1%	-60.2%	-41.6%	-57.5%	7,203 bps	1,723 bps	1,852 bps
EBIT growth rate (%)		-37.3%	-30.7%		10.7%				
EBIT margin (%)	-138.5%	-85.6%	-69.4%	-67.5%	-46.2%	-63.2%	6,911 bps	1,618 bps	2,124 bps
Restated reported PAT growth rate (%)		-32.0%	-40.3%		34.9%				
Restated reported PAT margin (%)	-129.4%	-86.6%	-60.5%	-51.1%	-42.7%	-57.1%	6,886 bps	2,611 bps	846 bps
Total debt (Rs.)	1,637.1	661.4	1,127.3	1,133.7	1,796.1	1,796.1	-17.0%	70.4%	58.4%
Net debt (Rs.)	(1,322.1)	(3,068.2)	(1,896.3)	(2,399.5)	(1,324.9)	(1,324.9)	19.8%	-38.2%	-44.8%
Debt to equity (x)	0.3	0.1	0.2	0.1	0.3	0.3	-22.3%	111.4%	98.0%
Net debt to EBITDA (x)	0.3	1.2	1.1	7.2	3.6	0.7	88.2%	-7.9%	-50.6%
Net debt to equity (x)	(0.2)	(0.4)	(0.3)	(0.3)	(0.2)	(0.2)	12.1%	-23.3%	-31.0%
RoE (%)	-73.0%	-35.1%	-26.0%	-3.6%	-6.1%	-28.6%	0.4709	911 bps	(247) bps
RoA (%)	-47.7%	-27.6%	-18.5%	-2.7%	-4.0%	-19.0%	0.2916	905 bps	(128) bps
RoCE (%)	-74.1%	-32.5%	-27.8%	-4.4%	-6.1%	-29.5%	0.4626	471 bps	(173) bps

Source: Choice Equity Broking



Competitive strengths:

- Its ecosystem allows it to address large market opportunities
- Trusted brand, scale and reach
- Its insights of Indian consumers and merchants
- Product and technology DNA
- Network effect creating sustainable advantages
- Its leadership and culture

Business strategy:

- Grow consumer and merchant bases
- Expand and enhance Paytm App's offerings for the consumers
- Deepen merchant's partnerships and drive adoption of technology among the merchant base
- Rapidly scale up financial services and expand access of financial services through deep tech-led solutions
- Expand into international markets



Risk and concerns:

- Unfavorable government policies and regulations
- Fast changing technological and services landscape in the payment services domain
- Unfavorable change in the payment processing charges
- Declining acceptance of its payment platform or lower growth in the merchant base
- Revenue concentration risk
- Declining operational efficiencies and continued higher losses
- Competition

Financial statements:

Consolidated profit and loss statement (Rs. cr)

	FY19	FY20	FY21	Q1 FY21	Q1 FY22	TTM	CAGR over FY19 - 21	Annual growth over FY20	Q1 FY22 growth (Y-o-Y)
Revenue from operations	3,232.0	3,280.8	2,802.4	551.2	890.8	3,142.0	-6.9%	-14.6%	61.6%
Payment processing charges	(2,257.4)	(2,265.9)	(1,916.8)	(398.0)	(526.5)	(2,045.3)	-7.9%	-15.4%	32.3%
Marketing and promotional expenses	(3,408.3)	(1,397.1)	(532.5)	(84.1)	(137.7)	(586.1)	-60.5%	-61.9%	63.7%
Employee benefits expense	(856.2)	(1,119.3)	(1,184.9)	(213.8)	(350.7)	(1,321.8)	17.6%	5.9%	64.0%
Software, cloud and data center expenses	(309.6)	(360.3)	(349.8)	(74.6)	(105.8)	(381.0)	6.3%	-2.9%	41.8%
Other expenses	(766.6)	(772.6)	(585.7)	(112.3)	(141.0)	(614.4)	-12.6%	-24.2%	25.6%
EBITDA	(4,366.1)	(2,634.4)	(1,767.3)	(331.6)	(370.9)	(1,806.6)	-36.4%	-32.9%	11.9%
Depreciation and amortization expense	(111.6)	(174.5)	(178.5)	(40.3)	(40.9)	(179.1)	26.5%	2.3%	1.5%
EBIT	(4,477.7)	(2,808.9)	(1,945.8)	(371.9)	(411.8)	(1,985.7)	-34.1%	-30.7%	10.7%
Finance costs	(34.2)	(48.5)	(34.8)	(10.2)	(9.7)	(34.3)	0.9%	-28.2%	-4.9%
Other income	347.7	259.9	384.4	98.2	57.2	343.4	5.1%	47.9%	-41.8%
Share of restated profit / (loss) of associates / JVs	14.6	(56.0)	(74.0)	3.4	(12.1)	(89.5)		32.1%	
Exceptional items	(82.5)	(304.7)	(28.1)	(8.0)	(2.4)	(22.5)	-41.6%	-90.8%	-70.0%
PBT	(4,232.1)	(2,958.2)	(1,698.3)	(288.5)	(378.8)	(1,788.6)	-36.7%	-42.6%	31.3%
Tax expenses	6.5	15.8	(2.7)	4.1	(3.1)	(9.9)			
PAT from continuing operations	(4,225.6)	(2,942.4)	(1,701.0)	(284.4)	(381.9)	(1,798.5)	-36.6%	-42.2%	34.3%
PAT from discontinued operations	(5.3)					0.0			
PAT before minority interest	(4,230.9)	(2,942.4)	(1,701.0)	(284.4)	(381.9)	(1,798.5)	-36.6%	-42.2%	34.3%
Minority interest	49.3	100.2	4.9	2.5	1.7	4.1	-68.5%	-95.1%	-32.0%
Reported PAT	(4,181.6)	(2,842.2)	(1,696.1)	(281.9)	(380.2)	(1,794.4)	-36.3%	-40.3%	34.9%

Consolidated balance sheet statement (Rs. cr)

	FY19	FY20	FY21	Q1 FY21	Q1 FY22	TTM	CAGR over FY19 - 21	Annual growth over FY20	Q1 FY22 growth (Y-o-Y)
Equity share capital	57.5	60.4	60.5	60.4	60.5	60.5	2.6%	0.2%	0.2%
Other equity	5,667.4	8,044.8	6,474.3	7,770.1	6,205.3	6,205.3	6.9%	-19.5%	-20.1%
Non-controlling interests	86.2	(14.0)	(18.6)	(16.5)	(20.3)	(20.3)		32.9%	23.0%
Non current borrowings						0.0			
Non current lease liabilities	203.8	182.2	42.7	121.9	61.8	61.8	-54.2%	-76.6%	-49.3%
Non current contract liabilities		342.3	411.9	501.0	387.6	387.6		20.3%	-22.6%
Non current provisions	11.5	20.3	24.7	19.4	26.7	26.7	46.6%	21.7%	37.6%
Deferred tax liabilities	18.5	1.1	0.6	1.0	0.5	0.5	-82.0%	-45.5%	-50.0%
Current borrowings	696.2	208.7	544.9	253.4	476.0	476.0	-11.5%	161.1%	87.8%
Current lease liabilities	32.3	37.2	24.4	35.7	28.7	28.7	-13.1%	-34.4%	-19.6%
Other current financial liabilities	704.8	233.3	515.3	722.7	1,229.6	1,229.6	-14.5%	120.9%	70.1%
Trade payables	736.0	611.6	605.2	486.2	569.7	569.7	-9.3%	-1.0%	17.2%
Current contract liabilities	352.9	318.1	158.1	135.9	172.4	172.4	-33.1%	-50.3%	26.9%
Other current liabilities	159.2	201.3	264.3	172.3	211.0	211.0	28.8%	31.3%	22.5%
Current provisions	40.5	55.8	43.0	14.2	49.5	49.5	3.0%	-22.9%	248.6%
Total liabilities	8,766.8	10,303.1	9,151.3	10,277.7	9,459.0	9,459.0	2.2%	-11.2%	-8.0%
Property, plant and equipment	199.9	261.6	299.2	240.8	290.7	290.7	22.3%	14.4%	20.7%
Intangible assets	73.4	17.8	17.1	18.6	17.6	17.6	-51.7%	-3.9%	-5.4%
Capital work-in-progress	51.3	13.1	20.8	11.9	18.9	18.9	-36.3%	58.8%	58.8%
Intangible assets under development	4.3	1.6	2.8	2.1	1.2	1.2	-19.3%	75.0%	-42.9%
Right of use assets	274.8	267.4	128.3	211.2	157.7	157.7	-31.7%	-52.0%	-25.3%
Goodwill	293.0	46.7	46.7	46.7	44.3	44.3	-60.1%	0.0%	-5.1%
Investment in joint ventures	46.0	76.2		61.3		0.0			
Investment in associates	200.2	246.8	231.7	255.6	232.9	232.9	7.6%	-6.1%	-8.9%
Non current investments	105.1	227.6	34.1	222.7	32.5	32.5	-43.0%	-85.0%	-85.4%
Non current loans					71.5	71.5			
Other non current financial assets	244.5	2,127.5	387.1	2,135.5	565.5	565.5	25.8%	-81.8%	-73.5%
Non current tax assets	464.8	493.7	301.6	506.4	314.9	314.9	-19.4%	-38.9%	-37.8%
Non current deferred tax assets	3.0	3.2	3.5	3.4	4.7	4.7	8.0%	9.4%	38.2%
Other non current assets	135.6	84.2	278.6	352.1	290.9	290.9	43.3%	230.9%	-17.4%
Trade receivables	454.4	493.2	471.3	410.8	534.9	534.9	1.8%	-4.4%	30.2%
Current investments	2,497.9	3,189.4	147.2	963.9	623.0	623.0	-75.7%	-95.4%	-35.4%
Cash and cash equivalents	461.3	540.2	2,876.4	2,569.3	2,498.0	2,498.0	149.7%	432.5%	-2.8%
Current loans	276.4	24.2	161.1	23.8	72.7	72.7	-23.7%	565.7%	205.5%
Current financial assets	1,567.2	874.5	2,338.6	1,286.5	2,527.4	2,527.4	22.2%	167.4%	96.5%
Other current assets	1,413.7	1,314.2	1,405.2	955.1	1,159.7	1,159.7	-0.3%	6.9%	21.4%
Total assets	8,766.8	10,303.1	9,151.3	10,277.7	9,459.0	9,459.0	2.2%	-11.2%	-8.0%

Financial statements:

Consolidated cash flow statement (Rs. cr)

Particulars (Rs. mn)	FY19	FY20	FY21	Q1 FY21	Q1 FY22	TTM	CAGR over FY19 - 21	Annual growth over FY20	Q1 FY22 growth (Y-o-Y)
Cash flow before working capital changes	(4,160.1)	(2,356.9)	(1,579.4)	(293.3)	(313.9)	(1,600.0)	-38.4%	-33.0%	7.0%
Working capital changes	(132.3)	6.8	(690.2)	94.1	661.7	(122.6)	128.4%		603.2%
Cash flow from operating activities	(4,475.9)	(2,376.6)	(2,082.5)	(210.3)	330.7	(1,541.5)	-31.8%	-12.4%	-257.3%
Purchase and construction of property, plant and equipment	(177.3)	(190.7)	(192.7)	(18.2)	(40.1)	(214.6)	4.3%	1.0%	120.3%
Cash flow from investing activities	1,911.0	(1,996.3)	1,929.8	420.9	(145.9)	1,363.0	0.5%	-196.7%	-134.7%
Cash flow from financing activities	2,110.5	5,159.9	(222.1)	30.5	415.3	162.7		-104.3%	1261.6%
Net cash flow	(454.4)	787.0	(374.8)	241.1	600.1	(15.8)	-9.2%		148.9%
Opening balance of cash	84.3	(370.8)	420.2	417.3	50.0	658.4	123.3%		-88.0%
Closing balance of cash	(370.1)	416.2	45.4	658.4	650.1	642.6		-89.1%	-1.3%

Consolidated financial ratios

Particulars (Rs. mn)	FY19	FY20	FY21	Q1 FY21	Q1 FY22	TTM
Revenue growth rate (%)		1.5%	-14.6%		61.6%	
EBITDA growth rate (%)		-39.7%	-32.9%		11.9%	
EBITDA margin (%)	-135.1%	-80.3%	-63.1%	-60.2%	-41.6%	-57.5%
EBIT growth rate (%)		-37.3%	-30.7%		10.7%	
EBIT margin (%)	-138.5%	-85.6%	-69.4%	-67.5%	-46.2%	-63.2%
Restated reported PAT growth rate (%)		-32.0%	-40.3%		34.9%	
Restated reported PAT margin (%)	-129.4%	-86.6%	-60.5%	-51.1%	-42.7%	-57.1%
Turnover ratios						
Fixed asset turnover ratio (x)	3.6	5.4	5.4	1.0	1.7	5.9
Total asset turnover ratio (x)	0.4	0.3	0.3	0.1	0.1	0.3
Return ratios						
RoE (%)	-73.0%	-35.1%	-26.0%	-3.6%	-6.1%	-28.6%
RoA (%)	-47.7%	-27.6%	-18.5%	-2.7%	-4.0%	-19.0%
RoCE (%)	-74.1%	-32.5%	-27.8%	-4.4%	-6.1%	-29.5%
Per share data						
Restated adjusted EPS (Rs.)	(64.5)	(43.8)	(26.2)	(4.3)	(5.9)	(27.7)
DPS (Rs.)	0.0	0.0	0.0	0.0	0.0	0.0
BVPS (Rs.)	88.3	125.0	100.8	120.8	96.7	96.7
Operating cash flow per share (Rs.)	(69.0)	(36.7)	(32.1)	(3.2)	5.1	(23.8)
Free cash flow per share (Rs.)		(56.3)	(37.6)		(10.9)	
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Disclaimer

This is solely for information of clients of Choice Broking and does not construe to be an investment advice. It is also not intended as an offer or solicitation for the purchase and sale of any financial instruments. Any action taken by you on the basis of the information contained herein is your responsibility alone and Choice Broking its subsidiaries or its employees or associates will not be liable in any manner for the consequences of such action taken by you. We have exercised due diligence in checking the correctness and authenticity of the information contained in this recommendation, but Choice Broking or any of its subsidiaries or associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this recommendation or any action taken on basis of this information. This report is based on the fundamental analysis with a view to forecast future price. The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report. Choice Broking has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; Choice Broking makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. The opinions contained within the report are based upon publicly available information at the time of publication and are subject to change without notice. The information and any disclosures provided herein are in summary form and have been prepared for informational purposes. The recommendations and suggested price levels are intended purely for stock market investment purposes. The recommendations are valid for the day of the report and will remain valid till the target period. The information and any disclosures provided herein may be considered confidential. Any use, distribution, modification, copying, forwarding or disclosure by any person is strictly prohibited. The information and any disclosures provided herein do not constitute a solicitation or offer to purchase or sell any security or other financial product or instrument. The current performance may be unaudited. Past performance does not guarantee future returns. There can be no assurance that investments will achieve any targeted rates of return, and there is no guarantee against the loss of your entire investment.

POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report) Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No. • Firm interest of the stock / Instrument (s): - No.



+91-022-6707 9999



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.