

# IPO Report

Choice

## “Subscribe with Caution” to Bikaji Foods International Ltd.

Margin sustainability and demanded valuation seems to be the concern



## Salient features of the IPO:

- Rajasthan based **Bikaji Foods International Ltd.** (Bikaji), is coming up with an IPO to raise around Rs. 880cr, which opens on 3<sup>rd</sup> Nov. and closes on 7<sup>th</sup> Nov. 2022. The price band is Rs. 285 - 300 per share.
- The IPO only has OFS portion, thus the company will not receive any proceeds from the issue.
- On 16<sup>th</sup> Feb. 2022, Bikaji purchased 0.044cr from Intensive Softshare Pvt. Ltd. (one of the investors participating in the OFS) at Rs. 280.1 per share.

## Key competitive strengths:

- Well-established brand with pan-India recognition
- Diversified product portfolio focused on various consumer segments and markets
- Strategically located, large scale sophisticated manufacturing facilities with stringent quality standards
- Extensive pan-India and global distribution network, arrangements with reputed retail chains and growing ecommerce and exports channel
- Consistent financial performance
- Experienced promoters and management team

## Risk and concerns:

- Unfavorable government policies & regulations
- Geographical revenue concentration risk
- Unfavorable sales-mix
- Under-utilization of the existing manufacturing facilities
- Delay in the proposed expansion of the manufacturing facility
- Competition

## Below are the key highlights of the company:

- Over FY15-22, the Indian Savoury Snacks market has increased by 6% CAGR to Rs. 751bn. Mainly on account of changing lifestyles, urbanization, rising incomes and emphasis on healthy foods, the savoury snacks market is likely to grow by around 13% over FY22-26 to reach a size of Rs. 1,227bn. The domestic savoury snacks market can be broadly segmented into western snacks (consists of chips, extruders and a new variety of snacks which has local taste but western look) and traditional snacks (comprises of namkeens, bhujia and ethnic snacks such as dry samosa, kachori, chakli, etc.). Western and traditional snacks contributed around 52% and 48% to the total savoury snacks market.
- The organized domestic savoury snacks market grew by 11.6% CAGR over FY15-22 to Rs. 423bn. Further it is expected to grow by 15% CAGR over FY22-26 to reach a size of Rs. 739bn. Western snacks contributed 57.2% to the organized market, followed by ethnic namkeen & snacks and ethnic bhujia, which contributed 26.9% and 15.9%, respectively, in FY22.
- Bikaji is the third largest ethnic snacks company with an international footprint, selling Indian snacks & sweets, and is the second fastest growing company in the domestic organized snacks market. Its product ranges across categories like bhujia, namkeen, packaged sweets, papad, western snacks as well as other snacks (which primarily include gift packs, frozen food, mathri range and cookies). As of 30<sup>th</sup> Jun. 2022, the company sold more than 300 products under the Bikaji brand.
- In terms of production, it was the largest manufacturer of Bikaneri bhujia and second largest manufacturer of homemade papad in FY22. In terms of annual capacity, Bikaji was the third largest player in the organized sweet market. The company has 9%, 10.7%, 6% and 5.7% share in the domestic organized ethnic snacks, western snacks, sweet and papad market, respectively, in FY22.

## Issue details

Price band	Rs. 285 - 300 per share
Face value	Rs. 1
Shares for fresh issue	Nil
Shares for OFS	2.937cr shares
Fresh issue size	N/a
OFS issue size	Rs. 837.2 - 881.2cr
Total issue size	2.937cr shares (Rs. 837.2 - 881.2cr)
Employee reservation	0.025cr shares (Rs. 7.1 - 7.5cr)
Net issue size	2.912cr shares (Rs. 830.0 - 873.7cr)
Bidding date	3 <sup>rd</sup> Nov. - 7 <sup>th</sup> Nov. 2022
MCAP at higher price band	Rs. 7,485cr
Enterprise value at higher price band	Rs. 7,582cr
Book running lead manager	JM Financial Ltd., Axis Capital Ltd., IIFL Securities Ltd., Intensive Fiscal Services Pvt. Ltd. and Kotak Mahindra Capital Company Ltd.

Registrar Link Intime India Pvt. Ltd.

Sector Packaged Foods

Promoters Mr. Shiv Ratan Agarwal, Mr. Deepak Agarwal, Shiv ratan Agarwal (HUF) and Deepak Agarwal (HUF)

## Issue break-up

Category	Percent of issue (%)	Number of shares
QIB portion	50%	1.456cr shares
Non institutional portion	15%	0.437cr shares
Retail portion	35%	1.019cr shares

## Indicative IPO process time line

Finalization of basis of allotment	11 <sup>th</sup> Nov. 2022
Unblocking of ASBA account	11 <sup>th</sup> Nov. 2022
Credit to demat accounts	14 <sup>th</sup> Nov. 2022
Commencement of trading	16 <sup>th</sup> Nov. 2022

## Pre and post - issue shareholding pattern

	Pre-issue	Post-issue
Promoter & promoter group	77.97%	75.97%
Public	22.03%	24.03%
<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
Employee discount	Rs. 15 per share
Application money	Rs. 15,000 per lot

## 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
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<b>Bikaji Foods International Ltd.</b>	<b>1</b>	<b>300</b>	<b>7,485</b>	<b>7,582</b>					<b>1,696</b>	<b>144</b>	<b>81</b>	<b>27.0%</b>	<b>8.5%</b>	<b>4.8%</b>
Agro Tech Foods Ltd.	10	771	1,879	1,912	2.3%	-3.0%	-11.8%	-22.3%	880	44	16	31.6%	5.0%	1.9%
DFM Foods Ltd.	2	382	1,922	1,912	3.8%	76.0%	54.1%	13.3%	590	-33	-37	36.2%	-5.5%	-6.3%
Prataap Snacks Ltd.	5	870	2,041	2,039	0.2%	19.0%	26.1%	27.1%	1,481	45	-7	24.4%	3.1%	-0.5%
<b>Average</b>												<b>30.7%</b>	<b>0.8%</b>	<b>-1.7%</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 working capital cycle (Days)	4Y average fixed asset turnover (x)	4Y average total asset turnover (x)	4Y average RoE	4Y average RoIC
<b>Bikaji Foods International Ltd.</b>	<b>21.4%</b>	<b>14.4%</b>	<b>15.2%</b>	<b>9.7%</b>	<b>5.7%</b>	<b>22.2%</b>	<b>-5.8%</b>	<b>20.6</b>	<b>2.6</b>	<b>1.5</b>	<b>11.5%</b>	<b>11.1%</b>
Agro Tech Foods Ltd.	3.6%	-5.8%	-9.1%	6.8%	3.6%	11.1%		34.2	3.3	1.6	7.5%	7.3%
DFM Foods Ltd.	4.7%			7.2%	3.1%	2.2%	-60.8%	(37.9)	2.4	1.3	10.5%	6.9%
Prataap Snacks Ltd.	6.1%	-11.2%	-59.8%	5.8%	2.1%	5.5%	61.7%	11.2	2.2	1.4	4.6%	3.1%
<b>Average</b>	<b>4.8%</b>	<b>-8.5%</b>	<b>-34.4%</b>	<b>6.6%</b>	<b>3.0%</b>	<b>6.3%</b>	<b>0.5%</b>	<b>2.5</b>	<b>2.6</b>	<b>1.4</b>	<b>7.5%</b>	<b>5.8%</b>

Company name	TTM EPS (Rs.)	BVPS (Rs.)	DPS (Rs.)	Debt equity ratio (x)	TTM fixed asset turnover ratio (x)	TTM 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>Bikaji Foods International Ltd.</b>	<b>3.3</b>	<b>32.9</b>	<b>0.2</b>	<b>0.2</b>	<b>3.0</b>	<b>1.5</b>	<b>9.9%</b>	<b>12.4%</b>	<b>92.1</b>	<b>9.1</b>	<b>4.5</b>	<b>52.5</b>	<b>4.4</b>	<b>1.1%</b>
Agro Tech Foods Ltd.	6.7	189.6	2.9	0.1	2.8	1.4	3.5%	4.7%	115.3	4.1	2.2	43.5	2.1	0.9%
DFM Foods Ltd.	(7.4)	30.4	1.0	0.5	2.5	1.3	-24.5%	-29.6%	(51.4)	12.6	3.2	(58.5)	3.3	-1.9%
Prataap Snacks Ltd.	(2.9)	266.2	0.5	0.0	2.6	1.5	-1.1%	-1.3%	(295.8)	3.3	1.4	45.0	1.4	-0.3%
<b>Average</b>			<b>1.5</b>	<b>0.2</b>	<b>2.6</b>	<b>1.4</b>	<b>-7.4%</b>	<b>-8.7%</b>	<b>(77.3)</b>	<b>6.6</b>	<b>2.3</b>	<b>10.0</b>	<b>2.3</b>	<b>-0.5%</b>

Note: Financial data is for TTM with IPO related adjustments; Source: Choice Broking Research

- With an average revenue contribution of 36.7%, namkeen was the highest sell category for Bikaji over FY19-22. This was followed by bhujia, packed sweet, papad and western snacks, which contributed 34%, 12.4%, 7.3% and 5.1%, respectively, to the total revenue. In terms of package, it derived an average 60.9% of the business from high-margin family packs (products more than Rs. 10 per pack) during the period and 37.3% from impulsive purchase packs (products available at established price points of Rs. 5 and Rs. 10 per pack).
- Bikaji's founder and promoter Mr. Shiv Ratan Agarwal is the pioneer in the Indian snack sector and has more than three decades of experience. Over the years, it has established market leadership in the organized ethnic snacks market in the state of Rajasthan, Assam and Bihar. During FY19-22, these states generated more than 70% to the total business. Its focus market includes states like Uttar Pradesh, Punjab, Haryana & Delhi in North India; and Karnataka & Telangana in South India. During FY20-22, business from the focus market increased by 35.4% CAGR.
- The company has gradually expanded its footprints across India and in the overseas market. As of 30<sup>th</sup> Jun. 2022, Bikaji operated across 23 states and four union territories in India, and exported to 21 countries. Around 96% of the total business was generated from the domestic market and rest from the exports. In terms of distribution network, the company had six depots, 38 superstockists, 416 direct & 1,956 indirect distributors across India. Bikaji has a strong presence at the railway stations across India and is in the process of getting listed in Canteen Stores Department.
- Bikaji has seven operational manufacturing facilities, of which five facilities are directly owned and two are indirectly owned via subsidiaries. Additionally, the company has two exclusive contract manufacturing facility and one facility on a non-exclusive basis. Going forward, it intends to establish two additional facilities, of which one will be owned and another through a contract manufacturing agreement. These facilities are expected to commence commercial operations over the next two years.
- The government has approved the application of Bikaji for PLI scheme for sales-based incentives and for branding & marketing abroad of ready-to-cook/ready-to-eat products. The company along with its subsidiaries and contract manufacturers have committed to spend Rs. 438.7cr for capacity expansion over FY21-23 and Rs. 13cr for branding & marketing outside India. The maximum incentive anticipated by it is around Rs. 261.4cr until FY27.
- The company is backed by marquee private equity funds & investors like Aventus, Axis Asset Management Company, Lighthouse Funds, IIFL Asset Management, Intensive Softshare, Ashoka India Equity Investment and India Acorn Fund. Through this IPO, few of the investors are partially exiting form the company.

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

- On the back of robust sales volume growth and its ability to pass-on the higher cost to the consumers, Bikaji has reported a strong business growth with certain consistency in the profitability margins. With around 12.4% CAGR growth in the sales volume and 8.1% CAGR rise in blended realization over FY19-22, Bikaji reported a 21.4% CAGR growth in the consolidated revenue to Rs. 1,611cr in FY22. Net cost of revenue increased by 22% CAGR (a rate higher than top-line growth), resulting to a 116bps contraction in the material margin. Further with relatively higher other expenses, EBITDA margin contracted by 169bps to 8.7%. Consolidated EBITDA was higher by 14.4% CAGR to Rs. 139.5cr in FY22. With an expansion in capacity, depreciation and finance costs increased by 19% and 19.2% CAGR, respectively. However, lower effective tax rate led to a 15.2% CAGR growth in PAT, which stood at Rs. 77.9cr in FY22. PAT margin contracted by 93bps during the period.
- The company reported a positive operating cash flow during the period, with an average cash flow of Rs. 76cr. Financial liabilities increased by 30.6% CAGR, however debt-to-equity ratio remained stable at 0.2x over FY19-22. Bikaji has regularly paid dividend during the period with an average dividend payout ratio of 7.5%. Pre-issue average RoIC and RoE stood at 11.1% and 11.5%, respectively.
- During Q1 FY23, Bikaji reported a 25.5% Y-o-Y rise in consolidated revenue to Rs. 419.2cr. EBITDA margin contracted by 43bps, while PAT margin was stable (mainly on account of lower finance cost and lower effective tax rate). On TTM basis, consolidated top-line stood at Rs. 1,696.1cr with an EBITDA and PAT margin of 8.5% and 4.8%, respectively.
- Based on our conservative estimate, consolidated revenue is likely to grow by 10.5% CAGR over FY22-24E to Rs. 1,966.5cr. The growth will be on the back of 7.1% and 4% CAGR rise in sales volume and blended realization. EBITDA and PAT margin is expected to contract by 57bps and 48bps, respectively. Post-issue RoIC is forecasted to expand by 53bps, while RoE to contract by 58bps over FY22-24E.

**Peer comparison and valuation:** At higher price band, Bikaji is demanding an EV/Sales multiple of 4.5x, which is premium to the peer average. The food market in which the company is operating is normally dominated by unorganized players. This might be the reason for lower operating margin for Bikaji, despite so much value addition. In the current inflationary environment, we are cautiously optimistic on the sustainability of the profitability margins. Thus we assign a **“Subscribe with Caution”** rating for the issue

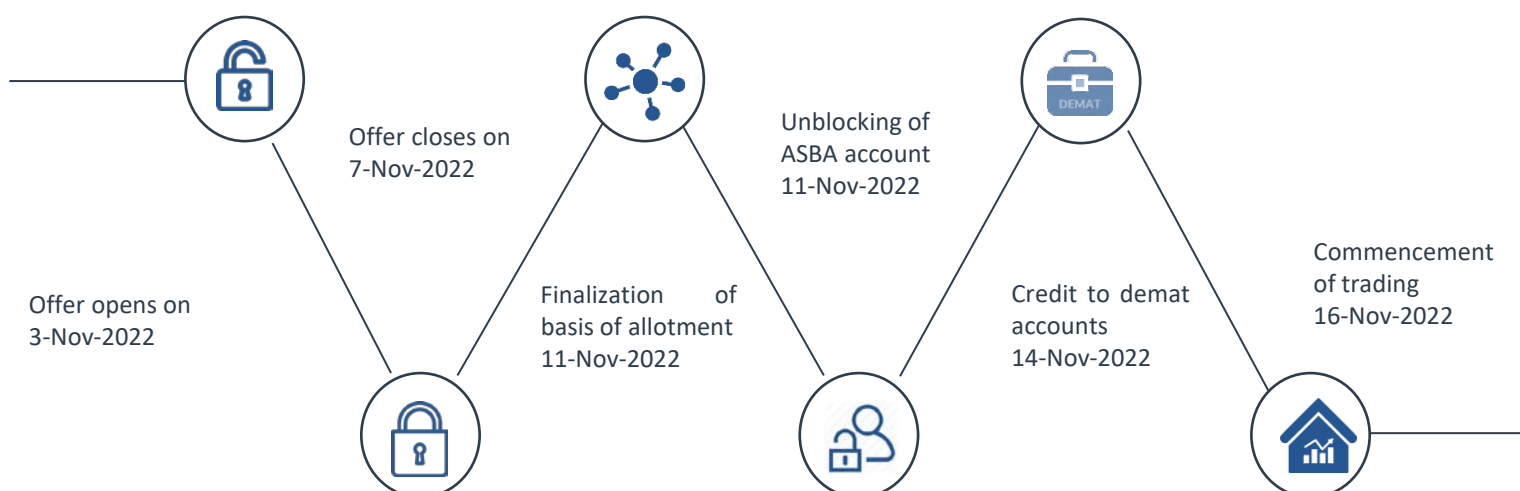
## About the issue:

- Bikaji is coming up with an IPO with 2.937cr shares (fresh issue: nil shares; OFS shares: 2.937cr shares) in offering. This offer represents around 11.77% of its post issue paid-up equity shares of the company. Total IPO size is Rs. 837.2 - 881.2cr.
- The issue will open on 3<sup>rd</sup> Nov. 2022 and close on 7<sup>th</sup> Nov. 2022.
- The issue is through book building process with a price band of Rs. 285 - 300 per share.
- The IPO only has OFS portion, thus the company will not receive any proceeds from the issue.
- On 16th Feb. 2022, Bikaji purchased 0.044cr from Intensive Softshare Pvt. Ltd. (one of the investors participating in the OFS) at Rs. 280.1 per share.
- 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 77.97% stake in the company and post-IPO this will come down to 75.97%. Public holding will increase from current 22.03% to 24.03%.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group	77.97%	75.97%
Public	22.03%	24.03%

Source: Choice Equity Broking

## Indicative IPO process time line:



## Pre-issue financial performance:

**Performance over FY19-22:** On the back of robust sales volume growth and its ability to pass-on the higher cost to the consumers, Bikaji has reported a strong business growth with certain consistency in the profitability margins.

With around 12.4% CAGR growth in the sales volume and 8.1% CAGR rise in blended realization over FY19-22, Bikaji reported a 21.4% CAGR growth in the consolidated revenue to Rs. 1,611cr in FY22. Business from the namkeen, bhijia, packed sweet, papad and western snacks increased by 12.6%, 9.3%, 15.5% and 6.2%, respectively, during the period.

Net cost of revenue increased by 22% CAGR (a rate higher than top-line growth), resulting to a 116bps contraction in the material margin. Further with relatively higher other expenses, EBITDA margin contracted by 169bps to 8.7%. Consolidated EBITDA was higher by 14.4% CAGR to Rs. 139.5cr in FY22.

With an expansion in capacity, depreciation and finance costs increased by 19% and 19.2% CAGR, respectively. However, lower effective tax rate led to a 15.2% CAGR growth in PAT, which stood at Rs. 77.9cr in FY22. PAT margin contracted by 93bps during the period.

The company reported a positive operating cash flow during the period, with an average cash flow of Rs. 76cr. Financial liabilities increased by 30.6% CAGR, however debt-to-equity ratio remained stable at 0.2x over FY19-22. Bikaji has regularly paid dividend during the period with an average dividend payout ratio of 7.5%. Pre-issue average RoIC and RoE stood at 11.1% and 11.5%, respectively.

**Performance during Q1 FY23:** During Q1 FY23, Bikaji reported a 25.5% Y-o-Y rise in consolidated revenue to Rs. 419.2cr. EBITDA margin contracted by 43bps, while PAT margin was stable (mainly on account of lower finance cost and lower effective tax rate).

On TTM basis, consolidated top-line stood at Rs. 1,696.1cr with an EBITDA and PAT margin of 8.5% and 4.8%, respectively.

Pre-issue consolidated financial snapshot (Rs. cr)	FY19	FY20	FY21	FY22	Q1 FY22	Q1 FY23	TTM	CAGR over FY19-22	Y-o-Y (Annual)
Sale - food products	898.1	1,072.2	1,306.9	1,602.3	332.1	416.9	1,687.1	21.3%	22.6%
Sale of service			1.2	5.8	1.4	1.6	6.0		363.5%
Other operating income	3.3	2.4	2.6	2.9	0.6	0.6	2.9	-4.1%	11.6%
Revenue from operations	901.4	1,074.6	1,310.7	1,611.0	334.1	419.2	1,696.1	21.4%	22.9%
Gross profit	257.0	329.6	373.9	440.7	85.4	102.2	457.4	19.7%	17.9%
EBITDA	93.3	94.6	144.8	139.5	26.0	30.8	144.3	14.4%	-3.6%
Reported PAT	50.9	56.4	90.2	77.9	12.9	16.2	81.3	15.2%	-13.6%
Restated adjusted EPS	2.0	2.3	3.6	3.1	0.5	0.7	3.3	15.2%	-13.6%
Cash flow from operating activities	68.7	60.7	117.2	57.5	25.9	37.5	69.1	-5.8%	-51.0%
NOPLAT	53.7	45.7	82.9	74.6	12.3	13.9	76.3	11.6%	-9.9%
FCF		33.3	84.7	(82.7)					-197.7%
RoIC (%)	10.2%	8.6%	15.4%	10.2%	2.2%	1.8%	10.0%	7 bps	(513) bps
Revenue growth rate (%)		19.2%	22.0%	22.9%		25.5%			
Gross profit growth rate (%)		28.2%	13.4%	17.9%		19.6%			
Gross profit margin (%)	28.5%	30.7%	28.5%	27.4%	25.6%	24.4%	27.0%	(116) bps	(117) bps
EBITDA growth rate (%)		1.4%	53.0%	-3.6%		18.5%			
EBITDA margin (%)	10.3%	8.8%	11.0%	8.7%	7.8%	7.3%	8.5%	(169) bps	(238) bps
EBIT growth rate (%)		-14.3%	84.8%	-9.3%		15.3%			
EBIT margin (%)	7.8%	5.6%	8.5%	6.3%	5.1%	4.7%	6.1%	(154) bps	(223) bps
Restated reported PAT growth rate (%)		10.7%	60.0%	-13.6%		25.6%			
Restated reported PAT margin (%)	5.7%	5.2%	6.9%	4.8%	3.9%	3.9%	4.8%	(81) bps	(204) bps
Inventory days	21.7	18.3	18.2	20.2	22.5	22.6	23.4	-2.3%	11.3%
Debtor days	15.8	13.7	12.4	13.7	13.0	15.1	15.2	-4.7%	10.2%
Payable days	(16.6)	(10.7)	(11.1)	(13.3)	(18.7)	(14.7)	(15.3)	-7.1%	20.3%
Cash conversion cycle	20.9	21.4	19.5	20.6	16.9	22.9	23.3	-0.5%	5.5%
Fixed asset turnover ratio (x)	2.2	2.6	2.9	2.9	0.7	0.7	2.9	9.4%	0.6%
Total asset turnover ratio (x)	1.4	1.6	1.6	1.5	0.4	0.4	1.5	0.8%	-8.9%
Current ratio (x)	2.6	2.6	1.5	2.0	1.4	2.0	2.0	-8.4%	29.6%
Quick ratio (x)	2.1	2.1	1.2	1.5	1.0	1.5	1.5	-9.0%	34.4%
Total debt (Rs.)	83.7	81.7	110.6	186.4	139.2	202.9	202.9	30.6%	68.5%
Net debt (Rs.)	(12.5)	(6.6)	23.2	96.3	48.5	104.2	104.2	-297.3%	314.3%
Debt to equity (x)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	8.4%	24.4%
Net debt to EBITDA (x)	(0.1)	(0.1)	0.2	0.7	1.9	3.4	0.7	-272.5%	329.8%
RoE (%)	10.8%	10.7%	14.9%	9.5%	2.1%	1.9%	9.7%	(134) bps	(540) bps
RoA (%)	8.1%	8.3%	11.0%	7.1%	1.5%	1.4%	7.1%	(100) bps	(397) bps
RoCE (%)	15.4%	11.9%	19.4%	12.1%	2.9%	2.3%	12.1%	(328) bps	(736) bps

Note: Pre-IPO financial and ratios; Source: Choice Equity Broking



### Competitive strengths:

- Well-established brand with pan-India recognition
- Diversified product portfolio focused on various consumer segments and markets
- Strategically located, large scale sophisticated manufacturing facilities with stringent quality standards
- Extensive pan-India and global distribution network, arrangements with reputed retail chains and growing ecommerce and exports channel
- Consistent financial performance
- Experienced promoters and management team

### Business strategy:

- Implement distinctive growth strategies for the core markets, focus markets and other markets
- Establish strategically located new manufacturing facilities to pursue growth in the focus and other markets
- Continue to use advanced technology to further optimize the operations
- Further strengthen the brand



### Risk and concerns:

- Unfavorable government policies & regulations
- Geographical revenue concentration risk
- Unfavorable sales-mix
- Under-utilization of the existing manufacturing facilities
- Delay in the proposed expansion of the manufacturing facility
- Competition

## Financial statements:

Consolidated profit and loss statement (Rs. cr)									
	FY19	FY20	FY21	FY22	Q1 FY22	Q1 FY23	TTM	CAGR over FY19 - 22	Annual growth over FY21
<b>Revenue from operations</b>	<b>901.4</b>	<b>1,074.6</b>	<b>1,310.7</b>	<b>1,611.0</b>	<b>334.1</b>	<b>419.2</b>	<b>1,696.1</b>	<b>21.4%</b>	<b>22.9%</b>
Cost of materials consumed	(628.0)	(720.8)	(909.3)	(1,136.0)	(250.4)	(310.3)	(1,196.0)	21.8%	24.9%
Purchase of stock-in-trade	(18.8)	(22.7)	(31.2)	(43.1)	(8.2)	(13.2)	(48.1)	31.9%	38.2%
Changes in inventories of finished goods and stock-in-trade	2.4	(1.3)	3.5	8.8	9.9	6.5	5.4	54.1%	150.9%
<b>Gross profit</b>	<b>257.0</b>	<b>329.6</b>	<b>373.9</b>	<b>440.7</b>	<b>85.4</b>	<b>102.2</b>	<b>457.4</b>	<b>19.7%</b>	<b>17.9%</b>
Employee benefits expense	(55.0)	(64.6)	(69.9)	(90.1)	(19.9)	(23.8)	(93.9)	17.9%	28.9%
Other expenses	(108.8)	(170.4)	(159.2)	(211.1)	(39.5)	(47.6)	(219.1)	24.7%	32.6%
<b>EBITDA</b>	<b>93.3</b>	<b>94.6</b>	<b>144.8</b>	<b>139.5</b>	<b>26.0</b>	<b>30.8</b>	<b>144.3</b>	<b>14.4%</b>	<b>-3.6%</b>
Depreciation, amortization and impairment expenses	(22.8)	(34.2)	(33.1)	(38.3)	(8.9)	(11.1)	(40.5)	19.0%	15.7%
<b>EBIT</b>	<b>70.5</b>	<b>60.4</b>	<b>111.6</b>	<b>101.2</b>	<b>17.1</b>	<b>19.7</b>	<b>103.8</b>	<b>12.8%</b>	<b>-9.3%</b>
Finance costs	(3.9)	(5.1)	(3.0)	(6.7)	(1.8)	(2.6)	(7.5)	19.2%	123.4%
Other income	9.3	8.4	11.5	10.5	3.0	4.7	12.1	4.2%	-8.5%
<b>PBT</b>	<b>75.9</b>	<b>63.6</b>	<b>120.1</b>	<b>105.0</b>	<b>18.4</b>	<b>21.8</b>	<b>108.4</b>	<b>11.5%</b>	<b>-12.6%</b>
Tax expenses	(24.9)	(7.3)	(29.8)	(29.0)	(6.0)	(6.1)	(29.1)	5.2%	-2.7%
<b>PAT before minority interest</b>	<b>50.9</b>	<b>56.4</b>	<b>90.3</b>	<b>76.0</b>	<b>12.4</b>	<b>15.7</b>	<b>79.3</b>	<b>14.3%</b>	<b>-15.8%</b>
Minority interest			(0.1)	1.9	0.5	0.5	2.0		
<b>Reported PAT</b>	<b>50.9</b>	<b>56.4</b>	<b>90.2</b>	<b>77.9</b>	<b>12.9</b>	<b>16.2</b>	<b>81.3</b>	<b>15.2%</b>	<b>-13.6%</b>

Consolidated balance sheet statement (Rs. cr)									
	FY19	FY20	FY21	FY22	Q1 FY22	Q1 FY23	TTM	CAGR over FY19 - 22	Annual growth over FY21
Equity share capital	24.3	24.3	24.3	25.0	24.3	25.0	25.0	0.9%	2.6%
Other equity	445.5	504.9	581.4	795.8	595.7	811.3	811.3	21.3%	36.9%
Non-controlling interest		0.0	1.8	(0.1)	1.3	(0.6)	(0.6)		
Non current borrowings	44.7	30.4	20.9	57.2	19.8	72.3	72.3	8.5%	173.0%
Non current lease liabilities		0.5	0.8	15.9	16.9	18.1	18.1		1818.9%
Non current provisions	2.1	4.1	1.9	0.1	0.6	0.1	0.1	-60.1%	-93.0%
Net deferred tax liabilities	38.6	33.5	29.3	32.7	30.6	31.5	31.5	-5.4%	11.7%
Other non current liabilities			1.3	1.4	1.6	1.4	1.4		13.3%
Current borrowings	27.6	21.9	65.2	84.1	81.3	84.0	84.0	45.0%	28.9%
Current lease liabilities	1.2	1.2	0.5	2.6	2.9	3.6	3.6	29.7%	483.3%
Other current financial liabilities	10.2	27.8	23.2	26.7	18.3	24.8	24.8	38.0%	15.1%
Trade payables	29.3	14.3	42.5	42.8	51.6	51.9	51.9	13.5%	0.8%
Current provisions	1.6	2.7	2.9	2.7	3.7	3.1	3.1	20.8%	-5.2%
Current net tax liabilities			10.0		5.4	1.8	1.8		
Other current liabilities	5.9	11.2	11.2	15.1	18.0	18.0	18.0	37.1%	35.5%
<b>Total liabilities</b>	<b>630.9</b>	<b>676.6</b>	<b>817.1</b>	<b>1,102.1</b>	<b>872.0</b>	<b>1,146.3</b>	<b>1,146.3</b>	<b>20.4%</b>	<b>34.9%</b>
Property, plant and equipment	382.1	390.4	407.1	478.9	403.4	493.7	493.7	7.8%	17.6%
Intangible assets	1.7	1.5	1.9	1.2	1.8	1.2	1.2	-12.0%	-39.0%
Investment property	2.8	5.2	3.7	3.7	3.7	3.7	3.7	9.5%	0.0%
Right-of-use assets	10.1	9.7	9.9	27.0	29.1	34.1	34.1	38.6%	173.9%
Capital work-in-progress	13.1	2.9	36.1	49.4	44.0	48.5	48.5	55.6%	37.1%
Goodwill						0.1	0.1		
Non current investments	3.0	36.5	68.8	126.3	85.1	128.7	128.7	248.2%	83.6%
Non current loans				13.8		14.7	14.7		
Other non current financial assets	11.5	5.0	17.0	28.1	14.6	15.5	15.5	34.9%	65.0%
Net income tax assets	3.9	6.9	3.1	6.7	3.2	6.8	6.8	20.3%	113.9%
Other non current assets	8.9	16.0	33.7	24.4	35.8	31.5	31.5	39.7%	-27.7%
Inventories	38.3	36.5	56.8	72.9	62.2	79.5	79.5	23.9%	28.4%
Trade receivables	39.0	41.7	47.3	73.3	48.4	70.4	70.4	23.4%	55.0%
Cash and cash equivalents	96.2	88.3	87.4	90.2	90.8	98.7	98.7	-2.1%	3.2%
Current loans		6.0	1.2	1.3	4.5	1.3	1.3		7.9%
Other current financial assets	12.4	21.2	20.0	79.1	19.3	87.8	87.8	85.4%	295.2%
Other current assets	7.8	8.9	23.1	25.7	26.1	30.0	30.0	48.9%	11.5%
<b>Total assets</b>	<b>630.9</b>	<b>676.6</b>	<b>817.1</b>	<b>1,102.1</b>	<b>872.0</b>	<b>1,146.3</b>	<b>1,146.3</b>	<b>20.4%</b>	<b>34.9%</b>

Note: Pre-IPO financials; Source: Choice Equity Broking



## Financial statements (Contd...):

Consolidated cash flow statement (Rs. cr)									
	FY19	FY20	FY21	FY22	Q1 FY22	Q1 FY23	TTM	CAGR over FY19 - 22	Annual growth over FY21
Cash flow before working capital changes	97.1	98.4	148.3	148.4	26.7	33.4	155.1	15.2%	0.1%
Working capital changes	(7.0)	(26.1)	(13.8)	(49.8)	9.1	8.8	(50.0)	91.9%	260.7%
<b>Cash flow from operating activities</b>	<b>68.7</b>	<b>60.7</b>	<b>117.2</b>	<b>57.5</b>	<b>25.9</b>	<b>37.5</b>	<b>69.1</b>	<b>-5.8%</b>	<b>-51.0%</b>
Purchase of fixed assets and CWIP	(75.1)	(41.1)	(74.4)	(107.7)	(16.1)	(17.9)	(109.5)	12.7%	44.7%
<b>Cash flow from investing activities</b>	<b>(91.5)</b>	<b>(63.5)</b>	<b>(114.1)</b>	<b>(231.6)</b>	<b>(33.7)</b>	<b>(29.1)</b>	<b>(227.0)</b>	<b>36.3%</b>	<b>103.0%</b>
<b>Cash flow from financing activities</b>	<b>39.8</b>	<b>(31.5)</b>	<b>(9.1)</b>	<b>168.8</b>	<b>7.0</b>	<b>(1.7)</b>	<b>160.1</b>	<b>61.9%</b>	
<b>Net cash flow</b>	<b>17.0</b>	<b>(34.3)</b>	<b>(5.9)</b>	<b>(5.3)</b>	<b>(0.8)</b>	<b>6.7</b>	<b>2.3</b>		<b>-10.4%</b>
Opening balance of cash	0.3	17.2	(17.0)	(22.9)	(22.9)	(28.3)	(23.8)		35.0%
<b>Closing balance of cash</b>	<b>17.2</b>	<b>(17.1)</b>	<b>(22.9)</b>	<b>(28.3)</b>	<b>(23.7)</b>	<b>(21.5)</b>	<b>(21.5)</b>		<b>23.3%</b>

Consolidated financial ratios							
Particulars (Rs. cr)	FY19	FY20	FY21	FY22	Q1 FY22	Q1 FY23	TTM
<b>Profitability ratios</b>							
Revenue growth rate (%)		19.2%	22.0%	22.9%			25.5%
Gross profit growth rate (%)			28.2%	13.4%	17.9%		19.6%
Gross profit margin (%)	28.5%	30.7%	28.5%	27.4%	25.6%	24.4%	27.0%
EBITDA growth rate (%)		1.4%	53.0%	-3.6%			18.5%
EBITDA margin (%)	10.3%	8.8%	11.0%	8.7%	7.8%	7.3%	8.5%
EBIT growth rate (%)		-14.3%	84.8%	-9.3%			15.3%
EBIT margin (%)	7.8%	5.6%	8.5%	6.3%	5.1%	4.7%	6.1%
Restated reported PAT growth rate (%)		10.7%	60.0%	-13.6%			25.6%
Restated reported PAT margin (%)	5.7%	5.2%	6.9%	4.8%	3.9%	3.9%	4.8%
<b>Turnover ratios</b>							
Inventories turnover ratio (x)	23.5	28.7	28.1	24.8	5.4	5.3	21.3
Trade receivable turnover ratio (x)	23.1	26.6	29.4	26.7	6.9	6.0	24.1
Accounts payable turnover ratio (x)	30.8	49.3	46.2	37.8	6.5	8.1	32.7
Fixed asset turnover ratio (x)	2.2	2.6	2.9	2.9	0.7	0.7	2.9
Total asset turnover ratio (x)	1.4	1.6	1.6	1.5	0.4	0.4	1.5
<b>Return ratios</b>							
RoIC (%)	10.2%	8.6%	15.4%	10.2%	2.2%	1.8%	10.0%
RoE (%)	10.8%	10.7%	14.9%	9.5%	2.1%	1.9%	9.7%
RoA (%)	8.1%	8.3%	11.0%	7.1%	1.5%	1.4%	7.1%
RoCE (%)	15.4%	11.9%	19.4%	12.1%	2.9%	2.3%	12.1%
<b>Per share data</b>							
Restated adjusted EPS (Rs.)	2.0	2.3	3.6	3.1	0.5	0.7	3.3
DPS (Rs.)	0.2	0.2	0.2	0.2	0.0	0.0	0.2
BVPS (Rs.)	18.8	21.2	24.3	32.9	24.9	33.5	33.5
Operating cash flow per share (Rs.)	2.8	2.4	4.7	2.3	1.0	1.5	2.8
Free cash flow per share (Rs.)		1.3	3.4	(3.3)			
Dividend payout ratio	9.5%	8.6%	5.4%	6.4%	0.0%	0.0%	6.2%

Note: Pre-IPO financial ratios; Source: Choice Equity Broking

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