

IPO Report

“SUBSCRIBE” to

Harsha Engineers International Ltd.

One of the leading manufacturers of bearing cages globally



IPO Report

Salient features of the IPO:

- **Harsha Engineers International Ltd.** (HEIL), a manufacturer of precision bearing cages is coming up with an IPO to raise around Rs. 760cr, which opens on 14th Sept. and closes on 16th Sept. 2022. The price band is Rs. 314 - 330 per share.
- The IPO is a combination of fresh issue and OFS portion. HEIL will not receive any proceeds from the OFS portion. Of the fresh issue net proceeds, Rs. 270cr will be used for the pre-pay/repayment of certain debt availed by the company; Rs. 77.9cr will be utilized for the purchase of machinery and another Rs. 7.1cr will be used for the infrastructure repair & renovation at the existing production facilities.

Key competitive strengths:

- Comprehensive solution provider offering diversified suite of precision engineering products across geographies and end-user industries
- Long standing relationships with leading clientele
- Strategically located domestic and international production facilities & warehouses
- Expertise in tooling, design development and automation
- Consistent track record of growth and financial performance
- Strong, experienced and dedicated senior management team & qualified workforce

Risk and concerns:

- Economic slowdown in key developed markets
- Revenue concentration risk
- Difficulty in maintaining the profitability
- Unfavorable forex movements
- Competition

Below are the key highlights of the company:

- On the back of an improved usage of bearings across sectors like mining, automotive, heavy machinery, infrastructure development, power generation and construction, the global demand of bearing is expected to grow by 6.4% CAGR from USD 104.6bn in 2021 to USD 171.7bn in 2029.
- Precision bearing cage is one of the critical components within the bearing. In-line to the global bearing market, the bearing cage market too is expected to grow by 6.4% CAGR to a size of USD 8.6bn in 2029. Brass, steel and polyamide cages form the majority share of the market, of which 60% is estimated to be organized trade. Domestic bearing cage market (which is 5.2% of the global bearing cages market in 2021) is expected to grow by 8.3% CAGR during the period to USD 0.5bn in 2029.
- Incorporated in 1986, HEIL is a leading engineering company, offering diversified range of products across geographies and end-user sectors. The company manufactures brass, steel and polyamide cages; and stamped components. With a market share of around 50-60%, it is the largest manufacturer of precision bearing cages in the organized domestic market. The company is also amongst the leading manufacturers of precision bearing cages in the world with a 6.5% share in the global organized brass, steel and polyamide bearing cages market in 2021.
- HEIL's business is categorized as (i) engineering business, under which it manufactures bearing cages, complex & specialized precision stamped components, welded assemblies & brass castings and cages & bronze bushings; and (ii) solar EPC business, under which it provides complete comprehensive turnkey solutions to all solar photovoltaic requirements and provides O&M services. During FY20-22, the engineering business contributed an average 93% to the consolidated top-line, while the rest from the Solar EPC business.
- The company executes its engineering business from its strategically located four manufacturing facilities. It has two facilities in Gujarat, India and one each in the China and Romania. Indian facilities have an installed capacity to manufacture 1.1bn bearing cages, which is around 99% of the cumulative installed capacity. Products manufactured are supplied to customer in over 25 countries spread across five continents. During FY20-22, around 65% of the consolidated business was generated from the overseas sales of its products.

Recommendation	SUBSCRIBE
Price band	Rs. 314 - 330 per share
Face value	Rs. 10
Shares for fresh issue	1.379 - 1.449cr shares
Shares for OFS	0.909 - 0.955cr shares
Fresh issue size	Rs. 455cr
OFS issue size	Rs. 300cr
Total issue size	2.288 - 2.404cr shares (Rs. 755cr)
Employee reservation	0.008cr shares (Rs. 2.5cr)
Net issue size	2.280 - 2.396cr shares (Rs. 752.5cr)
Bidding date	14 th Sept. - 16 th Sept. 2022
MCAP at higher price band	Rs. 3,004cr
Enterprise value at higher price band	Rs. 2,912cr
Book running lead manager	Axis Capital Ltd., Equirus Capital Pvt. Ltd. and JM Financial Ltd.
Registrar	Link Intime India Pvt. Ltd.
Sector	Industrials
Promoters	Mr. Rajendra Shah, Mr. Harish Rangwala, Mr. Vishal Rangwala and Mr. Pilak Shah

Issue break-up		
Category	Percent of issue (%)	Number of shares
QIB portion	50%	1.140 - 1.198cr shares
Non institutional portion	15%	0.342 - 0.359cr shares
Retail portion	35%	0.798 - 0.839cr shares

Indicative IPO process time line	
Finalization of basis of allotment	21 st Sept. 2022
Unblocking of ASBA account	22 nd Sept. 2022
Credit to demat accounts	23 rd Sept. 2022
Commencement of trading	26 th Sept. 2022

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	99.70%	74.61%
Public	0.30%	25.39%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot	
Number of shares per lot	45
Employee discount	Rs. 31 per share
Application money	Rs. 14,850 per lot

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

Company name	Face value (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs. cr)	Stock return (%)				FY22 total operating revenue (Rs. cr)	FY22 EBITDA (Rs. cr)	FY22 PAT (Rs. cr)	FY22 gross margin	FY22 EBITDA margin	FY22 PAT margin
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Harsha Engineers International Ltd.	10	330	3,004	2,912					1,321	169	92	44.0%	12.8%	7.0%
Bimetal Bearings Ltd.	10	428	164	157	18.6%	33.7%	33.4%	23.4%	197	8	4	43.6%	4.1%	2.3%
Menon Bearings Ltd.	1	107	599	614	18.8%	36.2%	32.9%	42.1%	198	42	24	57.8%	21.4%	12.4%
NRB Bearings Ltd.	2	172	1,665	1,853	19.8%	42.8%	49.5%	22.2%	944	148	73	63.4%	15.7%	7.8%
Rolax Rings Ltd	10	1,968	5,358	5,556	8.8%	25.6%	62.3%	80.4%	1,017	229	132	54.4%	22.5%	13.0%
Schaeffler India Ltd.	2	3,622	56,612	55,197	28.4%	60.9%	99.4%	145.2%	5,811	1,067	697	38.5%	18.4%	12.0%
SKF India Ltd.	10	4,981	24,626	24,224	15.3%	44.4%	50.3%	56.0%	3,666	556	395	38.8%	15.2%	10.8%
Timken India Ltd.	10	3,363	25,296	25,209	12.8%	34.9%	68.9%	99.2%	2,203	511	327	45.8%	23.2%	14.8%
Average												48.9%	17.2%	10.4%

Company name	3Y top-line growth (CAGR)	3Y EBITDA growth (CAGR)	3Y PAT growth (CAGR)	3Y average EBITDA margin	3Y average PAT margin	3Y capital employed growth (CAGR)	3Y CFO growth (CAGR)	3Y average working capital cycle (Days)	3Y average fixed asset turnover (x)	3Y average total asset turnover (x)	3Y average RoE	3Y average RoIC
Harsha Engineers International Ltd.	22.1%	40.2%	104.9%	12.1%	4.9%	16.7%	-43.2%	157.8	2.9	0.9	8.6%	8.7%
Bimetal Bearings Ltd.	14.9%		103.2%	2.1%	1.8%	-4.8%	-16.3%	91.3	2.5	0.7	1.7%	-2.2%
Menon Bearings Ltd.	19.2%	19.0%	30.2%	22.0%	11.8%	5.9%	-10.9%	78.5	2.0	1.0	19.1%	18.2%
NRB Bearings Ltd.	10.3%	30.9%	51.1%	13.5%	6.3%	9.0%	-61.0%	77.2	2.2	0.6	10.0%	10.5%
Rolax Rings Ltd	23.6%	37.3%	57.8%	19.5%	11.7%	29.5%	-43.4%	63.7	1.9	0.9	22.8%	21.7%
Schaeffler India Ltd.	18.8%	34.9%	43.2%	15.8%	9.6%	5.8%	-4.5%	30.2	4.2	1.1	13.9%	13.5%
SKF India Ltd.	13.6%	26.2%	16.9%	14.4%	10.7%	72.6%	-58.4%	33.7	7.6	0.9	18.4%	18.4%
Timken India Ltd.	16.7%	18.7%	15.3%	21.2%	13.4%	14.0%	-69.3%	54.4	1.9	0.7	15.3%	13.8%
Average	16.7%	27.8%	45.4%	15.5%	9.3%	18.9%	-37.7%	61.3	3.2	0.9	14.5%	13.4%

Company name	EPS (Rs.)	BVPS (Rs.)	DPS (Rs.)	Debt equity ratio (x)	Fixed asset turnover ratio (x)	Total asset turnover ratio (x)	RoE	RoCE	P / E (x)	P / B (x)	EV / Sales (x)	EV / EBITDA (x)	MCAP / Sales (x)	Earning yield
Harsha Engineers International Ltd.	10.1	107.3	0.0	0.4	3.7	0.8	9.4%	19.7%	32.7	3.1	2.2	17.2	2.3	3.1%
Bimetal Bearings Ltd.	11.7	509.7	8.0	0.0	2.7	0.8	2.3%	0.9%	36.5	0.8	0.8	19.5	0.8	2.7%
Menon Bearings Ltd.	4.4	20.0	2.0	0.2	2.5	1.2	21.8%	30.2%	24.5	5.3	3.1	14.5	3.0	4.1%
NRB Bearings Ltd.	7.6	60.7	0.3	0.5	2.6	0.7	12.4%	12.6%	22.7	2.8	2.0	12.5	1.8	4.4%
Rolax Rings Ltd	48.4	200.0	0.0	0.4	2.4	1.0	24.2%	32.4%	40.6	9.8	5.5	24.3	5.3	2.5%
Schaeffler India Ltd.	44.6	233.8	7.6	0.0	5.0	1.2	19.1%	36.0%	81.3	15.5	9.5	51.7	9.7	1.2%
SKF India Ltd.	79.9	381.4	14.5	0.0	8.5	0.8	20.9%	14.9%	62.4	13.1	6.6	43.6	6.7	1.6%
Timken India Ltd.	43.5	220.3	1.5	0.0	2.4	0.8	19.7%	26.0%	77.3	15.3	11.4	49.4	11.5	1.3%
Average			4.9	0.2	3.7	0.9	17.2%	21.9%	49.3	9.0	5.6	30.8	5.5	2.5%

Note: Financial data as of FY22 with IPO related adjustments; Source: Choice Broking Research

- HEIL's bearing cages ranges from 20mm to 2,000mm in diameter. Since incorporation, the company manufactured over 7,200 bearing cages and over 295 other products for its customers in automotive, railways, aviation & aerospace, construction, mining, agriculture, electrical & electronics, renewables sectors etc. Over FY20-22, it developed more than 1,200 products in different bearing types.
- The company has long testing relationships with top-6 global bearing manufacturers, which cumulatively have a global market share of around 55%. Most of these manufacturers have over a decade long relationship and generated over 70% of the business of HEIL.
- HEIL has reported a profitable business growth over FY20-22. Last quarter of the FY20 was mainly impacted by the Covid-19 pandemic, while H1 of FY21 was severely impacted by the pandemic. Since H2 FY21, the global economies are in recovery phase. On the back of 11.8% CAGR rise in the engineering products realization and 9.8% CAGR higher sales volume, HEIL reported a 22.1% CAGR rise in consolidated top-line to Rs. 1,321.5cr in FY22. Net cost of revenue increased by 27.1% CAGR (a rate higher than top-line growth), thereby leading to a 426bps contraction in material margin, however lower employee cost and other income in FY22, resulted in a 308bps expansion in the EBITDA margin. Consolidated EBITDA increased by 40.2% CAGR to Rs. 169cr in FY22. Flat depreciation charge and lower finance costs, coupled with relatively higher other income mainly led to a 104.9% CAGR rise in reported PAT, which stood at Rs. 91.9cr in FY22. PAT margin expanded from 2.5% in FY20 to 7% in FY22.
- The company reported a positive operating cash flow over FY20-22, however it declined by 43.2% CAGR. Average operating cash flow stood at Rs. 90.2cr. Financial liabilities declined by 3.4% CAGR, with debt-to-equity ratio improving from 1.2x in FY20 to 0.8x in FY22. Pre-issue RoIC and RoE are in improving trend with an average of 10.5% and 11.4%, respectively.
- Based on our conservative estimates, over FY22-24E we are forecasting a modest growth of 0.9% CAGR in the consolidated top-line to Rs. 1,344.6cr in FY24E. Business growth is likely to be maintained by 3.4% CAGR rise in volume growth. Engineering realizations is anticipated to decline by 2.3% CAGR. EBITDA and PAT margins are forecasted to expand by 53bps and 70bps, respectively, over FY22-24E. RoIC and RoE is expected to be lower by 52bps and 32bps, respectively, to 7.9% and 9.1% in FY24E.

Peer comparison and valuation: At higher price band, HEIL is demanding EV/Sales multiple of 2.2x, which is discount to peer average of 5.6x. Above peer list includes large well established bearing manufacturers, which are trading at higher valuations thereby distorting the peer average. Excluding these highly valued manufacturers, still the demanded valuation by HEIL is discount to the peer average. Thus the issue is attractively priced. Considering the future growth outlook of the bearing market; HEIL's dominant position in the bearing cage market and the demanded attractive valuations, we assign a "SUBSCRIBE" rating for the issue.

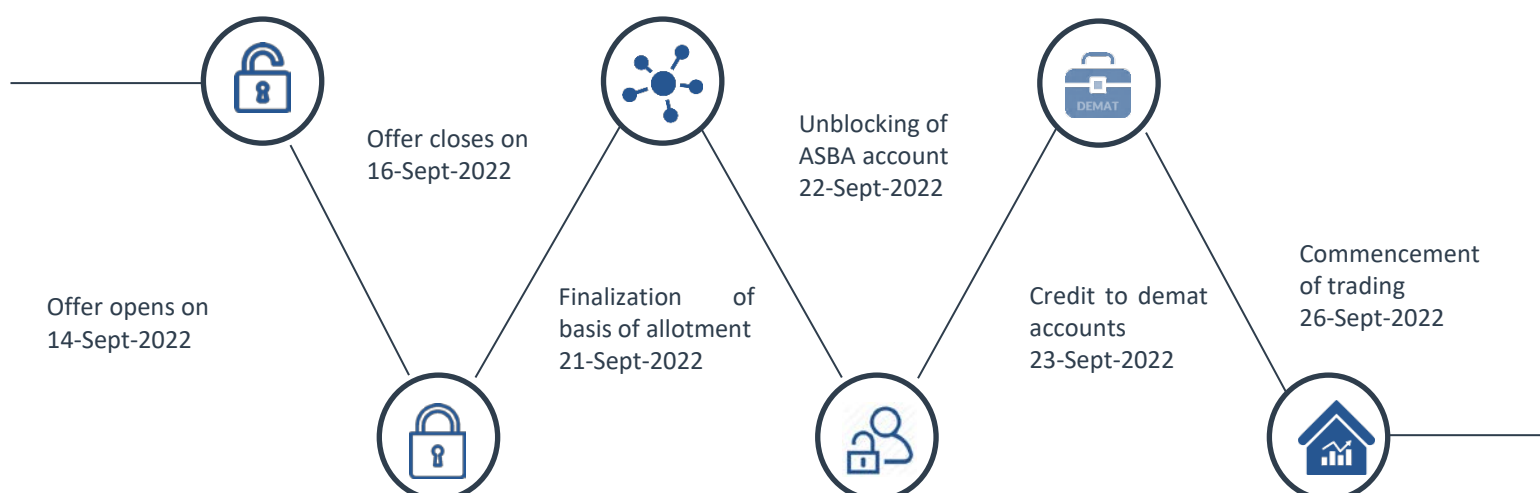
About the issue:

- HEIL is coming up with an IPO with 2.288 - 2.404cr shares (fresh issue: 1.379 - 1.449cr shares; OFS shares: 0.909 - 0.955cr shares) in offering. This offer represents around 25.1 - 26.2% of its post issue paid-up equity shares of the company. Total IPO size is Rs. 755cr.
- The issue will open on 14th Sept. 2022 and close on 16th Sept. 2022.
- The issue is through book building process with a price band of Rs. 314 - 330 per share.
- The IPO is a combination of fresh issue and OFS portion. HEIL will not receive any proceeds from the OFS portion. Of the fresh issue net proceeds, Rs. 270cr will be used for the pre-pay/repayment of certain debt availed by the company; Rs. 77.9cr will be utilized for the purchase of machinery and another Rs. 7.1cr will be used for the infrastructure repair & renovation at the existing production facilities.
- 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 99.7% stake in the company and post-IPO this will come down to 74.61%. Public holding will increase from current 0.3% to 25.39%.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group	99.70%	74.61%
Public	0.30%	25.39%

Source: Choice Equity Broking

Indicative IPO process time line:



Financial performance:

Performance over FY20-22: The company has reported a profitable business growth over FY20-22. Last quarter of the FY20 was mainly impacted by the Covid-19 pandemic, while H1 of FY21 was severely impacted by the pandemic. Since H2 FY21, the global economies are in recovery phase.

On the back of 11.8% CAGR rise in the engineering products realization and 9.8% CAGR higher sales volume, HEIL reported a 22.1% CAGR rise in consolidated top-line to Rs. 1,321.5cr in FY22. Business from the engineering products division increased by 22.8% CAGR, while business from the Solar EPC division increased by 13.7% CAGR.

Net cost of revenue increased by 27.1% CAGR (a rate higher than top-line growth), thereby leading to a 426bps contraction in material margin, which stood at 44% in FY22. Lower employee cost and other income in FY22, resulted in a 308bps expansion in the EBITDA margin over FY20-22. Consolidated EBITDA increased by 40.2% CAGR to Rs. 169cr in FY22.

Flat depreciation charge and lower finance costs, coupled with relatively higher other income mainly led to a 104.9% CAGR rise in reported PAT to Rs. 91.9cr in FY22. PAT margin expanded from 2.5% in FY20 to 7% in FY22.

The company reported a positive operating cash flow over FY20-22, however it declined by 43.2% CAGR. Average operating cash flow stood at Rs. 90.2cr. Financial liabilities declined by 3.4% CAGR, with debt-to-equity ratio improving from 1.2x in FY20 to 0.8x in FY22. Pre-issue RoIC and RoE are in improving trend with an average of 10.5% and 11.4%, respectively.

Consolidated financial snapshot (Rs. cr)	FY20	FY21	FY22	CAGR over FY20-22	Y-o-Y (Annual)
Engineering & others	821.7	819.6	1,238.5		51.1%
Solar-EPC & O&M	64.2	54.2	82.9	13.7%	53.1%
Revenue from operations	885.9	873.8	1,321.5	22.1%	51.2%
Gross profit	427.7	459.0	581.8	16.6%	26.7%
EBITDA	86.0	121.8	169.0	40.2%	38.7%
Reported PAT	21.9	45.4	91.9	104.9%	102.3%
Restated adjusted EPS	2.4	5.0	10.1	104.9%	102.3%
Cash flow from operating activities	112.9	121.2	36.5	-43.2%	-69.9%
NOPLAT	35.2	65.7	97.1	66.1%	47.8%
FCF	(178.7)	29.5	(26.3)	-61.6%	
RoIC (%)	6.5%	11.3%	13.8%	732 bps	252 bps
Revenue growth rate (%)	623.1%	-1.4%	51.2%		
Gross profit growth rate (%)	904.3%	7.3%	26.7%		
Gross profit margin (%)	48.3%	52.5%	44.0%	(426) bps	(851) bps
EBITDA growth rate (%)		41.7%	38.7%		
EBITDA margin (%)	9.7%	13.9%	12.8%	308 bps	(115) bps
EBIT growth rate (%)		72.9%	52.3%		
EBIT margin (%)	5.7%	10.0%	10.1%	439 bps	7 bps
Restated adjusted PAT growth rate (%)		107.4%	102.3%		
Restated adjusted PAT margin (%)	2.5%	5.2%	7.0%	448 bps	176 bps
Inventory days	96.0	219.8	158.7	28.6%	-27.8%
Debtor days	75.7	94.5	68.6	-4.8%	-27.4%
Payable days	(65.5)	(100.4)	(73.9)	6.2%	-26.4%
Cash conversion cycle	106.2	213.9	153.4	20.2%	-28.3%
Fixed asset turnover ratio (x)	2.6	2.5	3.7	18.6%	46.2%
Total asset turnover ratio (x)	0.9	0.9	1.1	12.0%	28.1%
Current ratio (x)	1.5	1.6	1.8	9.4%	10.8%
Quick ratio (x)	0.9	0.9	0.9	-0.3%	1.3%
Total debt (Rs.)	437.5	382.9	408.4	-3.4%	6.6%
Net debt (Rs.)	373.8	328.4	362.6	-1.5%	10.4%
Debt to equity (x)	1.2	0.9	0.8	-18.4%	-12.7%
Net debt to EBITDA (x)	4.3	2.7	2.1	-29.7%	-20.4%
RoE (%)	5.9%	10.6%	17.6%	1,173 bps	698 bps
RoA (%)	2.3%	4.6%	7.9%	569 bps	331 bps
RoCE (%)	10.2%	16.1%	19.7%	951 bps	364 bps

Source: Choice Equity Broking



Competitive strengths:

- Comprehensive solution provider offering diversified suite of precision engineering products across geographies and end-user industries
- Long standing relationships with leading clientele
- Strategically located domestic and international production facilities & warehouses
- Expertise in tooling, design development and automation
- Consistent track record of growth and financial performance
- Strong, experienced and dedicated senior management team & qualified workforce

Business strategy:

- Enhance market leadership in bearing cages and expanding the customer base
- Retain and strengthen the technological leadership through continued focus on development & automation
- Growing stamping and specialized component segment
- Focus on increasing operational efficiencies to improve returns
- Increased focus on developing products suited to capture market opportunity in the growing electric vehicle segment
- Focus on growth by opportunistic inorganic acquisitions and partnerships with customers



Risk and concerns:

- Unfavorable government policies & regulations
- Economic slowdown in key developed markets
- Revenue concentration risk
- Difficulty in maintaining the profitability
- Unfavorable forex movements
- Competition

Financial statements:

Consolidated profit and loss statement (Rs. cr)

	FY20	FY21	FY22	CAGR over FY20 - 22	Annual growth over FY21
Revenue from operations	885.9	873.8	1,321.5	22.1%	51.2%
Cost of materials consumed	(448.0)	(434.1)	(799.2)	33.6%	84.1%
Changes in inventories of finished goods and work-in-progress	(10.1)	19.3	59.5		207.5%
Gross profit	427.7	459.0	581.8	16.6%	26.7%
Employee benefits expense	(149.0)	(146.4)	(158.0)	3.0%	8.0%
Other expenses	(192.7)	(190.8)	(254.7)	15.0%	33.5%
EBITDA	86.0	121.8	169.0	40.2%	38.7%
Depreciation and amortization expense	(35.2)	(34.1)	(35.4)	0.2%	3.7%
EBIT	50.7	87.7	133.7	62.3%	52.3%
Finance costs	(32.8)	(30.0)	(24.6)	-13.5%	-18.1%
Other income	13.7	3.0	17.5	13.3%	487.9%
PBT	31.6	60.7	126.6	100.2%	108.5%
Tax expenses	(9.7)	(15.3)	(34.7)	89.3%	126.9%
Reported PAT	21.9	45.4	91.9	104.9%	102.3%

Consolidated balance sheet statement (Rs. cr)

	FY20	FY21	FY22	CAGR over FY20 - 22	Annual growth over FY21
Equity share capital	50.0	50.0	77.2	24.3%	54.5%
Other equity	322.0	377.2	444.6	17.5%	17.9%
Non current borrowings	189.6	152.4	179.6	-2.7%	17.9%
Non current lease liabilities	6.1	7.6	5.5	-4.8%	-27.2%
Non current provisions	6.9	9.5	11.1	26.7%	16.2%
Net deferred tax liabilities	(14.9)	2.0	4.0		97.4%
Other non-current liabilities	2.1	2.1	2.2	2.8%	4.6%
Current borrowings	222.5	196.1	198.9	-5.4%	1.4%
Current lease liabilities	0.9	0.6	0.9	-3.8%	43.7%
Other current financial liabilities	18.4	26.3	23.5	13.0%	-10.5%
Trade payables	111.5	116.7	182.8	28.1%	56.7%
Current provisions	1.9	2.0	2.1	5.5%	2.5%
Current net tax liabilities	1.2	(1.1)	2.2	35.5%	
Other current liabilities	55.2	39.8	23.8	-34.3%	-40.1%
Total liabilities	973.2	981.1	1,158.3	9.1%	18.1%
Property, plant and equipment	262.0	267.8	282.9	3.9%	5.6%
Intangible assets	1.7	1.5	1.8	2.2%	20.1%
Capital work-in-progress	3.4	3.3	2.1	-21.2%	-37.0%
Goodwill on consolidation	70.1	73.1	71.1	0.7%	-2.9%
Non current investment	0.0	0.0	0.0	18.3%	12.9%
Non current loans & advances	0.1	0.1	0.1	-4.1%	-34.5%
Other non current financial assets	0.4	0.4	0.6	27.8%	58.5%
Other non current net tax assets	10.6	9.9	11.0	2.0%	11.2%
Other non current assets	7.3	7.8	8.6	9.2%	11.0%
Inventories	231.9	267.5	375.7	27.3%	40.4%
Trade receivables	238.7	213.9	282.8	8.8%	32.2%
Current investment	6.6	9.3	6.4	-1.2%	-30.5%
Cash and cash equivalents	57.1	45.3	39.3	-17.1%	-13.2%
Current loans & advances	7.0	4.8	12.3	33.1%	155.6%
Other current financial assets	5.5	6.9	10.8	39.2%	54.8%
Other current assets	70.9	69.3	52.7	-13.8%	-23.9%
Total assets	973.2	981.1	1,158.3	9.1%	18.1%

Source: Choice Equity Broking

Financial statements (Contd...):

Consolidated cash flow statement (Rs. cr)

	FY20	FY21	FY22	CAGR over FY20 - 22	Annual growth over FY21
Cash flow before working capital changes	96.7	124.6	189.0	39.8%	51.7%
Working capital changes	29.6	(2.3)	(121.4)		5267.5%
Cash flow from operating activities	112.9	121.2	36.5	-43.2%	-69.9%
Purchase and construction of property, plant and equipment	(73.3)	(39.8)	(49.5)	-17.8%	24.5%
Cash flow from investing activities	(64.6)	(20.0)	(51.8)	-10.4%	159.7%
Cash flow from financing activities	(38.3)	(92.4)	3.7		
Net cash flow	10.1	8.8	(11.6)		
Opening balance of cash	14.2	24.3	33.0	52.6%	36.1%
Closing balance of cash	24.3	33.0	21.4	-6.1%	-35.2%

Consolidated financial ratios

Particulars (Rs. mn)	FY20	FY21	FY22
Revenue growth rate	623.1%	-1.4%	51.2%
Gross profit growth rate	904.3%	7.3%	26.7%
Gross profit margin	48.3%	52.5%	44.0%
EBITDA growth rate		41.7%	38.7%
EBITDA margin	9.7%	13.9%	12.8%
EBIT growth rate		72.9%	52.3%
EBIT margin	5.7%	10.0%	10.1%
Restated adjusted PAT growth rate		107.4%	102.3%
Restated adjusted PAT margin	2.5%	5.2%	7.0%
Turnover ratios			
Inventories turnover ratio (x)	3.8	3.3	3.5
Trade receivable turnover ratio (x)	3.7	4.1	4.7
Accounts payable turnover ratio (x)	7.9	7.5	7.2
Fixed asset turnover ratio (x)	2.6	2.5	3.7
Total asset turnover ratio (x)	0.9	0.9	1.1
Return ratios			
RoIC	6.5%	11.3%	13.8%
RoE	5.9%	10.6%	17.6%
RoA	2.3%	4.6%	7.9%
RoCE	10.2%	16.1%	19.7%
Per share data			
Restated adjusted EPS (Rs.)	2.4	5.0	10.1
DPS (Rs.)	0.9	0.0	0.0
BVPS (Rs.)	40.9		57.3
Operating cash flow per share (Rs.)	12.4	13.3	4.0
Free cash flow per share (Rs.)	(19.6)	3.2	(2.9)
Dividend payout ratio	38.5%	0.0%	0.0%

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

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
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