

IPO Report

Choice

“SUBSCRIBE” to
Arkade Developers Ltd.

A real estate developer with expanding opportunities.



Salient features of the IPO:

- **Arkade Developers Ltd.** (ADL), is a real estate development company concentrating on the development of premium aspirational lifestyle residential premises in Mumbai, is coming up with an IPO to raise around Rs. 410cr, which opens on 16th Sep. and closes on 19th Sep. 2024. The price band is Rs. 121 - 128 per share.
- The IPO solely comprises of fresh issue (Rs. 410cr). From the fresh issue net proceeds, the company will be utilizing Rs. 250cr for funding development expenses, and approximately Rs. 143.5cr for funding acquisition of yet-to-be identified land for real estate projects. Residual proceeds will be used for general corporate purposes.
- Consequently, post-IPO, the P&PG and public shareholders will have 70.82% and 29.18% stake in the company, respectively.

Key competitive strengths:

- Strategic location of projects in micro-markets of MMR, Maharashtra
- The company is a leading player and amongst top 10 developers in terms of supply in select micro-markets of, and an established developer in, MMR, Maharashtra
- Experienced Promoter and strong and technically proficient management team
- Strong in-house resources
- Timely completion of projects

Risk and concerns:

- General slowdown in the global economic activities
- The company's operations are entirely focused within the Mumbai Metropolitan Region (MMR)
- The company avoids long-term agreements for labour and key construction materials supply
- Failure to meet project deadlines
- Competition

Below are the key highlights of the company:

- ADL, a real estate development company established on May 13, 1986, focuses on creating premium residential properties in Mumbai, Maharashtra—India's commercial capital. The company's operations fall into two main categories: (i) developing new residential projects on land it owns and (ii) redeveloping existing properties. As of June 30, 2024, ADL has developed 2.2mn sq. ft. of residential space, including projects through majority-owned partnerships. Between 2017 and the first quarter of 2024, the company launched 1,220 residential units and sold 1,045 units across the Mumbai Metropolitan Region (MMR).
- The company has established a strong brand and a successful track record, driven in part by its legacy. Amit Mangilal Jain, the promoter, is a second-generation real estate entrepreneur, with his family having been involved in real estate development since 1986. ADL's strong brand recognition in MMR, Maharashtra, can be attributed to its customer-focused approach and business model. The company focuses on developing high-end, aesthetically designed, sustainable residential properties with premium and lifestyle amenities in high-density areas of MMR, Maharashtra.
- According to the RHP, historically, ADL has concentrated its efforts on the western suburbs of MMR, Maharashtra. However, the company has also developed a high-end luxury project in South Mumbai. In recent years, ADL has expanded its focus to include the eastern suburbs of Mumbai, an area that has seen significant growth over time. The company aims to acquire larger land parcels in this region. Like the western suburbs, the eastern suburbs also boast some of the city's largest residential areas, making it a key real estate market across various asset classes.

Issue details

Price band	Rs. 121 - 128 per share
Face value	Rs. 10
Shares for fresh issue	3.203 - 3.388cr shares
Shares for OFS	Nil
Fresh issue size	Rs. 410cr
OFS issue size	Rs. NA
Total issue size	3.203 - 3.388cr shares (Rs. 410cr)
Bidding date	16 th Sep. - 19 th Sep. 2024

Implied MCAP at higher price band Rs. 2,376cr

Implied enterprise value at higher price band Rs. 2,017cr

Book running lead manager Unistone Capital Pvt. Ltd.

Registrar Bigshare Services Pvt. Ltd.

Sector Residential, Commercial Projects

Promoters Amit Mangilal Jain

Category	Percent of issue (%)	Number of shares
QIB portion	50%	1.602 - 1.694cr shares
Non institutional portion (Big)	10%	0.320 - 0.338cr shares
Non institutional portion (Small)	5%	0.160 - 0.169cr shares
Retail portion	35%	1.121 - 1.186cr shares

Indicative IPO process time line

Finalization of basis of allotment	20 th Sep. 2024
Unblocking of ASBA account	23 rd Sep. 2024
Credit to demat accounts	23 rd Sep. 2024
Commencement of trading	24 th Sep. 2024

Pre and post - issue shareholding pattern

	Pre-issue	Post-issue
Promoter & promoter group	85.58%	70.82%
Public	14.42%	29.18%
Non-promoter & Non-public	0.00%	0.00%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot

Number of shares per lot	110
Application money	Rs. 14,080 per lot

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

Company name	FV (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs.)	6M Return (%)	12M Return (%)	FY24 Revenue (Rs. cr)	FY24 EBITDA (Rs. cr)	FY24 PAT (Rs. cr)	FY24 Gross Margin (%)	FY24 EBITDA margin (%)	FY24 PAT margin (%)
Arkade Developers Ltd.	10	128	2,376	2,017	-	-	635	167	123	32.4%	26.4%	19.3%
Keystone Realtors Ltd	10	716	9,019	9,754	-	-	2,222	110	111	16.2%	5.0%	5.0%
Suraj Estate Developers Ltd.	5	762	3,380	3,700	136.2%	-	412	233	67	67.2%	56.6%	16.3%
Average										41.7%	30.8%	10.6%

Company name	4Y top-line growth (CAGR)	4Y EBITDA growth (CAGR)	4Y PAT growth (CAGR)	Average 4Y EBITDA margin	Average 4Y PAT margin	4Y average RoE	4Y average RoCE	Avg 4Y Inventory Days	Avg 4Y Payable Days	Net Worth
Arkade Developers Ltd.	80.3%	85.6%	78.2%	25.4%	21.2%	29.8%	34.1%	509	40	733
Keystone Realtors Ltd.	37.8%	2.5%	-21.8%	11.5%	13.7%	17.0%	9.8%	876	674	1,798
Suraj Estate Developers Ltd.	19.7%	38.9%	123.5%	47.6%	9.7%	45.7%	21.6%	799	0	516
Average	28.8%	20.7%	50.9%	29.6%	11.7%	31.3%	15.7%	838	337	

Company name	Total Debt	Cash	FY24 RoE (%)	FY24 RoCE (%)	P / E	P / B	EV / Sales	EV / EBITDA	MCAP / Sales	EPS (Rs.)	BVPS (Rs.)	D/E
Arkade Developers Ltd.	76	435	16.7%	50.1%	19.4	3.2	3.2	12.0	3.7	6.6	40	0.1
Keystone Realtors Ltd.	1,101	366	6.2%	6.6%	81.3	5.0	4.4	88.7	4.1	8.8	143	0.6
Suraj Estate Developers Ltd.	430	110	13.0%	0.0%	50.5	6.6	9.0	15.9	8.2	15.1	116	0.8
Average			9.6%	3.3%	65.9	5.8	6.7	52.3	6.1			0.7

Note: Considered financials for the period during FY21-24 (with IPO adjustments); Source: Choice Broking Research

- ADL's brand recognition is built on four key pillars: (i) integrity and value, (ii) prime project locations, (iii) on-time delivery, and (iv) high-quality, aesthetically designed, and sustainable construction. ADL focuses on both redevelopment and development of residential properties, allowing it to maintain a strong presence in Mumbai's western suburbs and parts of the eastern region. This approach has consistently driven its growth, proving its effectiveness. Furthermore, ADL's projects are not only well-planned and designed but also offer customers aspirational lifestyle amenities. Each project is spaciouly designed to maximize living space for its residents.
- All of ADL's projects are located in MMR, Maharashtra. The majority of these projects feature 2 BHK and 3 BHK configurations, although the company has also developed projects offering 1 BHK, 3.5 BHK, and 4 BHK units, catering to the needs of discerning customers. A key aspect of ADL's developments is the inclusion of lifestyle amenities, with most projects covering an average land area of around 1 acre. ADL also focuses on fast project turnaround, with an average completion time of approximately 3 years, from land acquisition to handover to the first customer.
- ADL operates in Mumbai, one of India's largest and most expensive real estate markets. From 2021 to the first quarter of 2024, the MMR in Maharashtra consistently recorded the highest annual sales of residential units among India's top seven cities, contributing 29% to 33% of total sales, with an average of 31%. As of Q1 2024, MMR also had the highest property prices, averaging Rs. 14,600 per square foot. ADL has established a strong presence in the MMR, particularly in the western suburbs of Maharashtra.
- Since 2017, it has consistently ranked among the top 10 developers in the Borivali West, Goregaon East, and Santacruz West micro-markets. From 2017 to Q1 2024, ADL has been a key player in the supply of 2BHK, 3BHK, and 4BHK units across the combined areas of Andheri East, Borivali West, Goregaon East, and Santacruz West. Out of the total supply of 20,294 residential units in these micro-markets during this period, the top 10 developers accounted for 38% of the total, with ADL contributing 7% of that share. (Source:RHP)
- The company follows an integrated business model that uses its own in-house resources to manage projects from start to finish. These resources include its legal team, business development, procurement, contracts, and sales and marketing departments. ADL's sales team supports property transactions by advertising, collaborating with channel partners, and developing strategies to grow the business. The company believes that its marketing team's skilled use of traditional methods, along with efficiently utilizing third-party resources like real estate digital platforms, helps them effectively reach their target audience. This approach leads to increased property sales and steady business growth.
- A key factor behind ADL's success and steady growth over the years is its ability to consistently complete projects on time or even ahead of schedule. In the past two decades, the company has successfully completed 28 projects, covering over 4.5 mn square feet. This includes 11 projects on its own (2 of which were through partnership firms where ADL holds the majority stake), 8 projects developed by its Promoter under the proprietorship of M/s Arkade Creations, and 9 projects through joint development agreements with third parties. These developments have served approximately 4,000 customers.

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

- ADL is currently developing six residential projects across the western suburbs of (MMR). These projects, upon completion, will cover a total of 1,872,188 square feet of developable area, with 661,616 square feet of saleable RERA carpet area spread across 567 units available for sale. As of June 30, 2024, three of these projects are new developments, and three are redevelopment projects, each accounting for 50% of the ongoing projects. Additionally, the company recently signed a development agreement for the redevelopment of six more projects in the western MMR, specifically in Goregaon East, Goregaon West, Malad West, and Santacruz West. These redevelopment projects are expected to cover approximately 1,824,256 square feet of developable area when completed.
- Earlier, there were no strict regulations for completing projects within specific timelines. However, with the introduction of RERA, it has become crucial to meet these timelines. Over the years, ADL has shown a strong ability to deliver projects on time. Out of the 28 projects completed, 23 were finished before RERA was introduced, and the remaining 5 were completed after RERA came into effect, all within the agreed timelines.
- The company's revenue is categorized into two segments: redevelopment and new projects. In FY22, the entire revenue of Rs. 228.9cr was derived from new projects. In FY23, new projects contributed Rs. 128.8cr, accounting for 58.52% of the total revenue, while redevelopment generated Rs. 91.3cr, representing 41.48%. By FY24, revenue from new projects increased to Rs. 424cr, making up 66.85% of the total revenue. During the same period, redevelopment revenue grew to Rs. 210.3cr, which constituted 33.15% of the total revenue.

Peer comparison and valuation: ADL is a real estate development company specializing in premium lifestyle residential properties in Mumbai, the commercial capital of Maharashtra, India. The company focuses on two key areas: new developments and redevelopment projects. ADL's operations are strategically based in the MMR, particularly in the western suburbs. Over the past two decades, ADL has successfully completed 28 projects. With a steady increase in the number of units sold, the company has shown strong growth in both revenue and profitability.

At the higher end of the price range, ADL is asking an EV/Sales ratio of 3.2x, which is at a discount to the peer average. Historically, the company has concentrated on the western suburbs of MMR, but in recent years, ADL has expanded into the eastern suburbs of Mumbai. This business growth strategy, along with its near debt-free status and consistent on-time project delivery, positions ADL for sustainable growth in the future. Thus, we recommend a **"SUBSCRIBE"** rating for this issue.

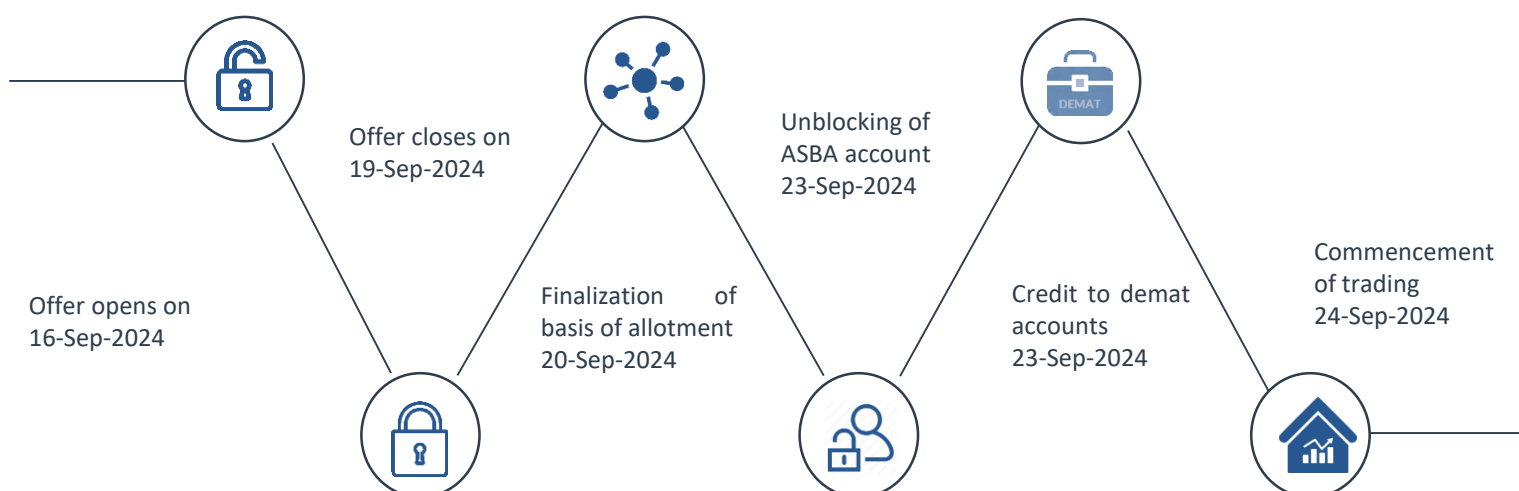
About the issue:

- ADL is coming up with an IPO with 3.203 - 3.388cr shares (fresh issue: 3.203 - 3.388cr shares; OFS shares: Nil) in offering. This offer represents 17.25% of the post-issue paid-up equity shares of the company. Total IPO size is Rs. 410cr.
- The issue is through book building process with a price band of Rs. 121 - 128 per share.
- Lot size comprises of 110 equity shares and in-multiple of 110 shares thereafter.
- The issue will open on 16th Sep. 2024 and close on 19th Sep. 2024.
- The IPO solely comprises of fresh issue (Rs. 410cr). From the fresh issue net proceeds, the company will be utilizing Rs. 250cr for funding development expenses, and approximately Rs. 143.5cr for funding acquisition of yet-to-be identified land for real estate projects. Residual proceeds will be used for general corporate purposes.
- Consequently, post-IPO, the P&PG and public shareholders will have 70.82% and 29.18% stake in the company, respectively.
- 50% of the net issue is reserved for qualified institutional buyers, while 15% and 35% of the net issue is reserved for non-institutional bidders and retail investors, respectively.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group	85.58%	70.82%
Public	14.42%	29.18%
Non-promoter & Non-public	0.00%	0.00%

Source: Choice Equity Broking

Indicative IPO process time line:



Pre-issue financial performance:

Performance over FY21-24: ADL's revenue growth during this period was driven by an increase in residential unit sales, which enhanced the topline and helped the company achieve profitability.

The company has shown steady growth, with total operating revenue reaching Rs. 634.7cr, reflecting a CAGR of 80.3%. This growth is mainly driven by a significant increase in residential unit sales, rising from 27 units in FY21 to 253 units in FY24, achieving a CAGR of 110.8%.

The company experienced a substantial rise in construction costs, which increased at a CAGR of 92.3%. This, along with shifts in inventory, resulted in a 624 bps decline in the gross profit margin, reducing it to 32.4%. On a positive side, lower employee costs and reduced other expenses contributed to an improvement in the EBITDA margin, which grew by 219 bps to 26.4%. In terms of absolute numbers, consolidated EBITDA saw impressive growth, with a CAGR of 85.6%, reaching Rs. 167.4cr in FY24.

During this period, the company experienced lower finance costs and a drop in other income. As a result, the PAT margin slightly decreased by 71 bps, reaching 19.3% in FY24. Despite this, the reported PAT grew significantly, reaching Rs. 122.8cr in FY24.

ADL has steadily increased its borrowing over the years, leading to a 2.5% CAGR in its financial liabilities. Despite this increase in debt, the company's profitability has improved, which has contributed to maintaining a stable debt-to-equity ratio. This ratio was from 0.2x in FY21 to 0.2x in FY24. Pre-issue RoIC and RoE stood at 37.2% and 38.0%, respectively, in FY24.

Pre-issue financial snapshot (Rs. cr)	FY21	FY22	FY23	FY24	CAGR over FY21-24	Y-o-Y (FY24 annual)
Redevelopment Projects	55.7	0.0	91.3	210.4	55.7%	130.4%
New Projects	52.6	228.9	128.8	424.3	100.6%	229.4%
Revenue from operations	108.3	228.9	220.2	634.7	80.3%	188.3%
Gross Profit	41.9	69.0	87.2	205.7	70.0%	135.8%
EBITDA	26.2	54.4	60.3	167.4	85.6%	177.7%
Reported PAT	21.7	50.8	50.8	122.8	78.2%	141.9%
Restated adjusted EPS	1.2	2.7	2.7	6.6	78.2%	141.9%
Cash flow from operating activities	145.0	(123.2)	(98.7)	101.5	-11.2%	-202.8%
NOPLAT	19.6	40.5	44.6	123.4	84.6%	176.6%
FCF	0.0	(10.3)	(76.7)	47.1		-161.4%
RoIC (%)	23.6%	30.3%	17.5%	37.2%	1,353 bps	1,966bps
Revenue growth rate		111.4%	-3.8%	188.3%		
Gross profit growth rate		64.8%	26.5%	135.8%		
Gross profit margin	38.7%	30.1%	39.6%	32.4%	(624) bps	(722) bps
EBITDA growth rate		107.8%	10.7%	177.7%		
EBITDA margin	24.2%	23.8%	27.4%	26.4%	219 bps	(101) bps
Restated PAT growth rate		134.1%	-0.2%	141.9%		
Restated PAT margin	20.1%	22.2%	23.1%	19.3%	(71) bps	(371) bps
Inventories days	688.0	401.1	662.8	284.2	-25.5%	-57.1%
Trade receivables days	42.5	8.4	6.1	4.6	-52.2%	-24.4%
Trade payables days	(75.1)	(21.9)	(39.0)	(22.0)	-33.6%	-43.5%
Cash conversion cycle	655.4	387.5	629.9	266.8	-25.9%	-57.6%
Total asset turnover ratio	0.3	0.6	0.4	1.1	52.8%	178.5%
Current ratio	1.3	1.6	1.9	2.4	22.5%	27.6%
Total debt	21.1	72.1	162.7	75.8	53.2%	-53.4%
Net debt	9.5	62.6	145.2	50.9	75.2%	-64.9%
Debt to equity	0.2	0.5	0.8	0.2	3.3%	-71.1%
Net debt to EBITDA	0.4	1.1	2.4	0.3	-5.6%	-87.4%
RoE	21.9%	34.0%	25.3%	38.0%	1,607 bps	1,263 bps
RoA	6.2%	13.7%	9.1%	21.4%	1,515 bps	1,222 bps
RoCE	27.2%	36.5%	22.8%	50.1%	2,286 bps	2,731 bps

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



Competitive strengths:

- Strategic location of projects in micro-markets of MMR, Maharashtra
- The company is a leading player and amongst top 10 developers in terms of supply in select micro-markets of, and an established developer in, MMR, Maharashtra
- Experienced Promoter and strong and technically proficient management team
- Strong in-house resources
- Timely completion of projects

Business strategy:

- Continue to expand in the eastern region of MMR, Maharashtra
- Moving up the value chain to premium / luxury residential premises
- Continue to focus on its blended business model



Risk and concerns:

- General slowdown in the global economic activities
- The company's operations are entirely focused within the Mumbai Metropolitan Region (MMR)
- The company avoids long-term agreements for labour and key construction materials supply
- Failure to meet project deadlines
- Competition

Financial statements:

Consolidated profit and loss statement (Rs. cr)						
	FY21	FY22	FY23	FY24	CAGR over FY21-24	Annual growth over FY23
Revenue from operations	108.3	228.9	220.2	634.7	80.3%	188.3%
Cost of construction	(58.5)	(254.9)	(334.4)	(416.4)	92.3%	24.5%
Changes in inventories	(7.9)	94.9	201.5	(12.6)	16.9%	-106.3%
Gross profit	41.9	69.0	87.2	205.7	70.0%	135.8%
Employee benefits expenses	(6.1)	(7.9)	(17.1)	(16.7)	39.7%	-2.2%
Other expenses	(9.5)	(6.6)	(9.9)	(21.6)	31.3%	118.6%
EBITDA	26.2	54.4	60.3	167.4	85.6%	177.7%
Depreciation and amortization expenses	(0.1)	(0.1)	(0.3)	(1.1)	118.6%	319.9%
EBIT	26.1	54.4	60.0	166.3	85.4%	177.1%
Finance costs	(1.3)	(4.3)	(1.3)	(3.1)	34.1%	144.1%
Other income	4.9	8.2	3.9	1.0	-41.7%	-74.7%
profit / (loss) from associates	(0.6)	7.3	4.2	1.0		-77.0%
PBT	29.1	65.6	66.8	165.1	78.4%	147.3%
Tax expenses	(7.4)	(14.7)	(16.0)	(42.3)	79.0%	164.3%
Reported PAT	21.7	50.8	50.8	122.8	78.2%	141.9%

Consolidated balance sheet statement (Rs. cr)						
	FY21	FY22	FY23	FY24	CAGR over FY21-24	Annual growth over FY23
Equity share capital	2.0	2.0	2.0	152.0	323.6%	7500.0%
Other equity	97.1	147.5	198.3	171.4	20.8%	-13.6%
Non- Controlling Interest	0.9	(0.2)	0.1	0.2	-37.3%	346.2%
Non-current borrowings	0.0	1.2	78.8	29.0		-63.1%
Lease liabilities	0.0	0.0	0.0	1.4		
Provisions	0.7	0.9	1.1	1.2	22.5%	14.3%
Trade payables	22.3	13.7	23.5	38.3	19.8%	62.8%
Current borrowings	13.7	63.2	70.2	40.4	43.4%	-42.5%
Lease liabilities	0.0	0.0	0.0	0.4		
Other current financial liabilities	7.4	7.7	13.7	4.6	-14.7%	-66.7%
Current provisions	2.4	3.1	2.9	5.3	30.4%	83.2%
Other current liabilities	203.2	130.8	164.8	128.9	-14.1%	-21.8%
Liabilities for current tax (net)	0.0	0.0	0.0	1.8		
Total liabilities	349.7	370.0	555.4	575.0	18.0%	3.5%
Property, plant & equipments	0.3	1.8	1.9	11.8	224.5%	518.8%
Intangible assets	0.0	0.0	0.2	0.3		32.5%
Right-of-use assets	0.0	0.0	0.0	1.8		
Investments	16.0	16.4	17.0	18.1	4.3%	6.8%
Other financial assets (net)	0.7	1.1	6.4	2.4	54.2%	-62.6%
Non-current tax assets (net)	0.9	0.1	1.5	2.2	35.1%	45.8%
Deferred tax assets (net)	0.2	0.3	0.4	0.5	32.3%	48.6%
Other non-current assets	0.0	0.0	0.1	0.0		-65.1%
Inventories	204.1	299.0	500.5	487.9	33.7%	-2.5%
Investments	97.6	23.2	0.0	0.0	-100.0%	
Trade receivables	12.6	5.3	3.7	8.1	-13.8%	117.9%
Cash & cash equivalents	4.9	2.5	16.6	23.3	67.7%	40.2%
Bank balances other than cash and cash equivalents	6.7	7.0	1.0	1.6	-38.4%	63.7%
Loan	0.0	0.0	0.1	0.1	69.0%	22.0%
Other financial assets	0.3	0.2	2.7	3.0	126.0%	10.4%
Other current assets	5.4	13.2	3.4	13.9	36.8%	307.5%
Total assets	349.7	370.0	555.4	575.0	18.0%	3.5%

Source: Choice Equity Broking

Financial statements (Contd...):

Consolidated cash flow statement (Rs. cr)						
	FY21	FY22	FY23	FY24	CAGR over FY21-24	Annual growth over FY23
Cash flow before working capital changes	29.1	66.2	67.1	169.0	79.8%	151.7%
Working capital changes	121.8	(175.4)	(148.3)	(26.2)		-82.3%
Cash flow from operating activities	145.0	(123.2)	(98.7)	101.5	-11.2%	-202.8%
Purchase of fixed assets and CWIP	(0.0)	(1.8)	(0.6)	(12.2)	761.9%	1917.7%
Cash flow from investing activities	(97.7)	76.0	29.2	(12.2)	-50.0%	-141.8%
Cash flow from financing activities	(50.2)	44.9	83.6	(82.9)	18.1%	-199.1%
Remeasurement of the defined benefit plan	(0.0)	(0.1)	0.0	0.2		542.1%
Net cash flow	(3.0)	(2.4)	14.1	6.7		-52.6%
Cash and cash equivalent at the beginning of the year	7.9	4.9	2.5	16.6	28.1%	559.3%
Cash and cash equivalent at the beginning of the year	4.9	2.5	16.6	23.3	67.7%	40.2%

Financial ratios					
Particulars	FY21	FY22	FY23	FY24	
Profitability ratios					
Revenue growth rate			111.4%	-3.8%	188.3%
Gross profit growth rate			64.8%	26.5%	135.8%
Gross profit margin	38.7%	30.1%	39.6%	32.4%	
EBITDA growth rate			107.8%	10.7%	177.7%
EBITDA margin	24.2%	23.8%	27.4%	26.4%	
EBIT growth rate			108.4%	10.4%	177.1%
EBIT margin	24.1%	23.8%	27.3%	26.2%	
Restated PAT growth rate			134.1%	-0.2%	141.9%
Restated PAT margin	20.1%	22.2%	23.1%	19.3%	
Turnover ratios					
Inventory turnover ratio	0.5	0.9	0.6	1.3	
Total asset turnover ratio	0.3	0.6	0.4	1.1	
Liquidity ratios					
Current ratio	1.3	1.6	1.9	2.4	
Total debt	21.1	72.1	162.7	75.8	
Net debt	9.5	62.6	145.2	50.9	
Debt to equity	0.2	0.5	0.8	0.2	
Net debt to EBITDA	0.4	1.1	2.4	0.3	
Cash flow ratios					
CFO to PAT	6.7	(2.4)	(1.9)	0.8	
CFO to Capex		(67.9)	(163.7)	8.3	
CFO to total debt	6.9	(1.7)	(0.6)	1.3	
CFO to current liabilities	6.2	(1.7)	(1.1)	2.0	
Return ratios					
RoIC (%)	13.9%	11.6%	17.9%	17.2%	
RoE (%)	14.7%	14.8%	18.8%	20.8%	
RoA (%)	3.4%	3.5%	5.3%	7.0%	
RoCE (%)	16.0%	13.4%	21.7%	21.6%	
Per share data					
Restated EPS (Rs.)	1.2	2.7	2.7	6.6	
BVPS (Rs.)	5.3	8.1	10.8	17.4	
Operating cash flow per share (Rs.)	7.8	(6.6)	(5.3)	5.5	

Source: Choice Equity Broking

IPO rating rationale

Subscribe: An IPO with strong growth prospects and valuation comfort.

Subscribe with Caution: Relatively better growth prospects but with valuation discomfort.

Avoid: Concerns on both fundamentals and demanded valuation.

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