

IPO Report

Choice

“Subscribe with Caution” to
Inox Green Energy Services Ltd.

Sector outlook improving, future business growth conditional



Salient features of the IPO:

- **Inox Green Energy Services Ltd.** (IGESL), an operation & maintenance (O&M) service provider to wind farm projects is coming up with an IPO to raise around Rs. 740cr, which opens on 11th Nov. and closes on 15th Nov. 2022. The price band is Rs. 61 - 65 per share. The company is a part of the Inox GFL Group and is promoted by Inox Wind Ltd. (IWL).
- The IPO is a combination of fresh and OFS issue. IGESL will not receive any proceeds from the OFS portion. Of the net proceeds from the fresh issue, around Rs. 260cr will be utilized for the repayment/prepayment of certain borrowings availed by the company. Rest of the proceeds will be used for general corporate purposes.
- In Nov. and Dec. 2021, IWESL made a preferential allotment of 0.72cr shares to the promoter in lieu of debt repayment. Allotment was made at Rs. 80.6 per share.

Key competitive strengths:

- Strong and diverse existing portfolio base
- Established track record, favorable national policy support and visibility for future growth
- Reliable cash flow supported by long-term O&M contracts with high credit quality counterparties
- Supported and promoted by the parent company
- Established supply chain in place
- Strong and experienced management team

Risk and concerns:

- Unfavorable government policies & regulations
- Higher business dependence on the promoter company
- Poor project executions and operational weakness of the promoter company
- Difficulty in expanding business via inorganic route
- Difficulty in maintaining profitability
- O&M competitions from the OEMs

Below are the key highlights of the company:

- In its report named “India Energy Outlook 2021” published in Feb. 2021, the International Energy Agency predicted that by 2040, India could add 900GW of wind and solar capacity. Therefore, the growth prospects of the wind sector in India are promising with capacity additions of 17-20GW expected over the next five years, which would entail investments of approximately Rs. 1.4lakh cr over the period (Source: RHP). This growth is likely to be on account of hybrid capacity allocation along with the existing pipeline of 10-11GW for pure-play wind.
- The wind energy market grew at a healthy rate with capacity additions picking up pace in FY20 after a low in FY19, largely on account of change in regime from feed-in-tariff to auction route. This has also positively impacted the demand of O&M services, which grew from Rs. 8,400cr in 2016 to more than Rs. 13,000cr in 2022. Capacity additions declined in FY21, mainly due to Covid-19 pandemic led lockdowns and mobility restrictions. Moreover, out of 36,538 wind turbine generators (WTG) installed in FY22, 17,290 turbines are supplied by players that became inactive for various reasons. This poses an inorganic growth opportunities for the players engaged in the wind O&M services. This coupled with another 17-20GW wind energy capacity addition, the demand for O&M services is expected in the range of Rs. 17,000-21,000cr by FY26.

Issue details

Price band	Rs. 61 - 65 per share
Face value	Rs. 10
Shares for fresh issue	5.692 - 6.066cr shares
Shares for OFS	5.692 - 6.066cr shares
Fresh issue size	Rs. 370cr
OFS issue size	Rs. 370cr
Total issue size	11.385 - 12.131cr shares (Rs. 740cr)

Bidding date 11th Nov. - 15th Nov. 2022

MCAP at higher price band Rs. 1,898cr

Enterprise value at higher price band Rs. 2,340cr

Book running lead manager Edelweiss Financial Services Ltd., DAM Capital Advisors Ltd., Equirus Capital Pvt. Ltd., IDBI Capital Markets & Securities Ltd. and Systematix Corporate Services Ltd.

Registrar Link Intime India Pvt. Ltd.

Sector Industrial services

Promoters Inox Wind Ltd.

Issue break-up

Category	Percent of issue (%)	Number of shares
QIB portion	75%	8.538 - 9.098cr shares
Non institutional portion	15%	1.708 - 1.820cr shares
Retail portion	10%	1.138 - 1.213cr shares

Indicative IPO process time line

Finalization of basis of allotment	18 th Nov. 2022
Unblocking of ASBA account	21 st Nov. 2022
Credit to demat accounts	22 nd Nov. 2022
Commencement of trading	23 rd Nov. 2022

Pre and post - issue shareholding pattern

	Pre-issue	Post-issue
Promoter & promoter group	93.84%	56.04%
Public	6.16%	43.96%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot

Number of shares per lot	230
Application money	Rs. 14,950 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
					1 M	3 M	6 M	1 Y						
Inox Green Energy Services Ltd.	10	65	1,898	2,340					172	82	-5	63.6%	47.7%	-2.9%
Adani Green Energy Ltd.	10	2,167	3,43,196	3,92,003	-1.7%	3.0%	-24.6%	80.7%	5,133	3,510	489	100.0%	68.4%	9.5%
Inox Wind Energy Ltd.	10	1,090	1,198	2,422	-1.7%	102.3%	68.8%	14.7%	598	-338	-119	106.8%	-56.6%	-19.9%
Inox Wind Ltd.	10	145	4,018	5,203	-4.6%	39.5%	50.7%	8.4%	625	-312	-427	37.6%	-50.0%	-68.4%
Sterling and Wilson Renewable Energy Ltd.	1	288	5,456	5,387	-7.0%	-1.9%	-18.7%	-35.9%	5,199	-817	-910	53.5%	-15.7%	-17.5%
Suzlon Energy Ltd.	2	8	8,260	13,379	6.8%	19.6%	-9.1%	25.7%	6,582	828	-200	34.2%	12.6%	-3.0%
Average												66.4%	-8.3%	-19.9%

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 fixed asset turnover (x)	4Y average total asset turnover (x)	4Y average RoE	4Y average RoIC
Inox Green Energy Services Ltd.	1.6%	-0.1%		49.7%	-1.9%	12.4%		0.2	0.1	-0.1%	4.0%
Adani Green Energy Ltd.	35.6%	32.0%		67.7%	-1.9%	58.6%	23.5%	0.2	0.1	0.7%	6.9%
Inox Wind Energy Ltd.											
Inox Wind Ltd.	-24.3%		121.2%	-20.0%	-37.7%	-5.5%		0.7	0.2	-16.3%	-13.2%
Sterling and Wilson Renewable Energy Ltd.	-14.2%			-1.6%	-2.4%	-2.4%	32.7%	151.5	1.4	-9.4%	-15.2%
Suzlon Energy Ltd.	9.4%		-49.3%	-0.5%	-29.8%		0.9%	3.4	0.6	11.1%	
Average	1.6%	32.0%	36.0%	11.4%	-18.0%	16.9%	19.0%	39.0	0.6	-3.5%	-7.2%

Company name	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
Inox Green Energy Services Ltd.	(0.2)	40.3	0.0	0.8	0.2	0.1	-0.4%	2.3%	(383.3)	1.6	13.6	28.5	11.0	-0.3%
Adani Green Energy Ltd.	3.1	16.5	0.0	19.5	0.1	0.1	18.7%	6.0%	701.8	131.3	76.4	111.7	66.9	0.1%
Inox Wind Energy Ltd.	(108.4)	1,346.5	0.0	1.0	0.4	0.1	-8.1%	-22.5%	(10.1)	0.8	4.1	(7.2)	2.0	-9.9%
Inox Wind Ltd.	(15.4)	65.9	0.0	0.8	0.4	0.1	-23.4%	-22.6%	(9.4)	2.2	8.3	(16.7)	6.4	-10.6%
Sterling and Wilson Renewable Energy Ltd.	(47.9)	48.3	0.0	0.5	122.0	1.5	-99.2%	-248.9%	(6.0)	6.0	1.0	(6.6)	1.0	-16.7%
Suzlon Energy Ltd.	(0.2)	(3.5)	0.0	(1.6)	6.1	1.0	5.7%	33.0%	(41.4)	(2.3)	2.0	16.2	1.3	-2.4%
Average			0.0	4.0	25.8	0.6	-21.3%	-51.0%	127.0	27.6	18.4	19.5	15.5	-7.9%

Note: Financial data is for FY22 with IPO related adjustments; Source: Choice Broking Research

- Incorporated in 2012, IWESL is one of the major wind power O&M service providers in India with 2,792MW of wind capacity and 1,396 wind turbine generators (WTG) under maintenance (as of 30th Jun. 2022). It is engaged in the business of providing long-term O&M services for wind projects, specifically the provision of O&M services for WTG and the common infrastructure facilities such as pooling stations & transmission lines, which support power evacuation from WTGs. IWESL's operating capacity portfolio of O&M contracts has increased by 40.2% CAGR since the commencement of operations.
- The company has stable annual income owing to long-term O&M contracts. Average pending tenure of the contract is more than 20 years. The counterparties to IWESL's O&M contracts are a mix of independent power producers (approximately 72%), public sector undertakings (approximately 14%) and corporates (approximately 14%).
- Of the 2,792MW capacity, 1,964MW was attributable to IWESL's comprehensive O&M services, while 828MW was attributable to common infrastructure O&M contracts. Generally, its comprehensive O&M contracts cover the provision of O&M services to both WTGs installed on a wind farm and the common infrastructure facilities. Its common infrastructure O&M contracts relate only to the provision of O&M services on the common infrastructure facilities. Both the contracts are typically entered into for a term of between 5-20 years, with certain contracts stipulating an option to renew for a further period of 25 years. Moreover, the contracts have a built-in fixed price escalation of around 5% per annum (compounded on the previous year's charges for a contractually specified number of years) thereby providing IWESL a steady growth and inflation protection.
- With a share of 60-70% in 2021, the O&M services market for wind energy are dominated by the equipment manufacturers in the country. Another 20-25% is contributed by independent service providers and rest by renewable energy developers. Being promoted by IWL, IWESL has a strong business relationship with IWL. The company and IWL entered into an exclusivity agreement dated 17th Dec. 2021, pursuant to which IWESL will provide exclusive O&M services to all the WTGs sold by IWL, via long-term O&M contracts between the WTG customer and IWESL.

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

- Organically, the growth in the business of the company is dependent on the growth of IWL, which is principally engaged in the business of manufacturing WTGs, providing turnkey solutions and offering services including wind resource assessment, site acquisition, infrastructure development, EPC of WTG etc. As of 30th Jun. 2022, IWL had entered into binding contracts for the supply of 2MW capacity WTGs with an aggregate capacity of 964MW. Further, IWL also received letters of intent, which are non-binding for its new 3.3MW capacity WTGs with an aggregate capacity of 524.7MW. Thus timely execution of the orders by IWL will indirectly drive the business growth of IWESL.
- IWESL is in the process of transitioning itself to an asset light business model, which is characterized by minimal capex requirement, steady & predictable cash flows and margins. As of 30th Jun. 2022, the company had total financial liabilities of around Rs. 922.4cr. Most of the IPO net proceeds will be utilized for the repayment/prepayment of certain borrowings. In the recent past, IWESL divested certain assets, which led to a cash inflow of around Rs. 100cr. Another set of planned divestment will led to a cash inflow of around Rs. 300cr. Cumulative funds garnered from the asset sale and IPO will be utilized by the company to offload debt from the balance sheet. Thus in the near term, it is likely to have a net-debt free operations.
- Over FY19-22, IWESL's operations were impacted by regime change in the sector (in the early part) and pandemic led restrictions in the later part. On the back of 5.2% CAGR rise in capacity under maintenance, the company reported a 1.6% CAGR rise in the proforma consolidated revenue to Rs. 172.2cr in FY22. Revenue per MW declined by 3.5% CAGR during the period. Total operating expenditure increased by 3.2% CAGR (a rate higher than top-line growth), thereby leading to a 238bps contraction in the EBITDA margin. Proforma consolidated EBITDA was almost flat during the period and stood at Rs. 82.2cr in FY22. Relatively higher impact of depreciation charge and finance costs mainly in the later part of FY19-22, led to pre-tax loss in FY21 and FY22, compared to a profit of Rs. 17.2cr and Rs. 1.7cr in FY19 and FY20, respectively.
- The company reported a positive operating cash flow during the period, except for FY19. Average cash flow over FY20-22 stood at Rs. 89.3cr. Financial liabilities increased by 42.3% CAGR with debt-to-equity ratio of 1.1x in FY22, compared to 0.6x in FY19. Pre-issue average RoIC stood at 4.2% during the period.
- Based on our conservative estimate, we are forecasting a consolidated top-line growth of 20.7% CAGR over FY22-24E to Rs. 250.8cr in FY22. Higher capacity under maintenance (5.2% CAGR) and 14.7% CAGR rise in business per MW are likely to drive the business growth. EBITDA to increase by 25.9% CAGR with a margin expansion of 421bps during the period. Lower finance cost would result in a net profit of Rs. 23.5cr and Rs. 39.3cr in FY23E and FY24E, respectively, compared to a net loss of Rs. 5cr in FY22. RoIC is estimated to expand by 320bps during the period to 5.7% in FY24E. RoE is anticipated at 2% and 3.2% in FY23E and FY24E, respectively.

Peer comparison and valuation: There are no comparable peers having business model similar to IWESL. Above peers are considered for benchmarking the valuations. At higher price band, the company is demanding an EV/Sales multiple of 13.6x (based on FY22 sales), which seems to be on higher side considering the return ratios. On the basis of FY24E top-line, demanded EV/Sales comes out to be 8.9x.

The macros of the wind energy segment are improving after the regime change and pandemic led restrictions. With massive capacity addition target over the next five years, target market for the O&M services would expand, thereby benefiting players like IWESL. Thus, we assign a “**Subscribe with Caution**” rating for the issue.

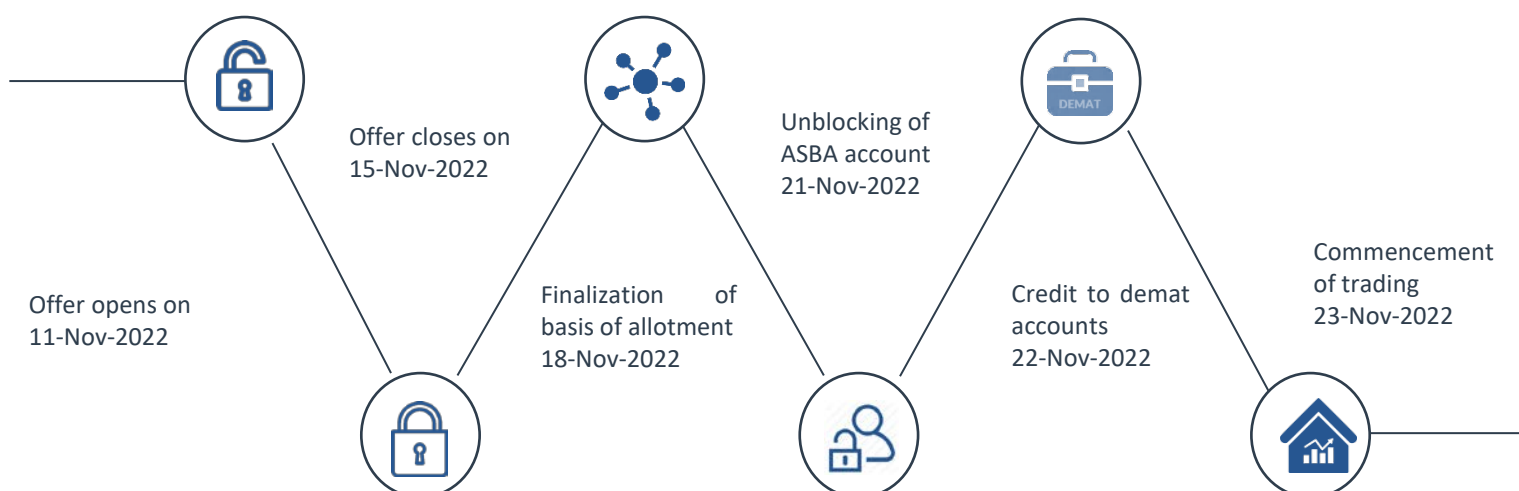
About the issue:

- IWESL is coming up with an IPO with 11.385 - 12.131cr shares (fresh issue: 5.692 - 6.066cr shares; OFS shares: 5.692 - 6.066cr shares) in offering. This offer represents around 39% - 41.03% of the post issue paid-up equity shares of the company. Total IPO size is Rs. 740cr.
- The issue will open on 11th Nov. 2022 and close on 15th Nov. 2022.
- The issue is through book building process with a price band of Rs. 61 - 65 per share.
- The IPO is a combination of fresh and OFS issue. IGESL will not receive any proceeds from the OFS portion. Of the net proceeds from the fresh issue, around Rs. 260cr will utilized for the repayment/prepayment of certain borrowings availed by the company. Rest of the proceeds will be used for general corporate purposes.
- In Nov. and Dec. 2021, IWESL made a preferential allotment of 0.72cr shares to the promoter in lieu of debt repayment. Allotment was made at Rs. 80.6 per share.
- 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.
- Promoter currently holds 93.84% stake in the company and post-IPO this will come down to 56.04%. Public holding will increase from current 6.16% to 43.96%.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group	93.84%	56.04%
Public	6.16%	43.96%

Source: Choice Equity Broking

Indicative IPO process time line:



Pre-issue financial performance:

Performance over FY19-22: Over FY19-22, IWESL's operations were impacted by regime change in the sector (in the early part) and pandemic led restrictions in the later part.

The company reported a 1.6% CAGR rise in the proforma consolidated revenue to Rs. 172.2cr in FY22. The growth was mainly due to 5.2% CAGR rise in the wind capacity under maintenance, which stood at 2,750MW in FY22. Revenue per MW declined by 3.5% CAGR during the period.

Total operating expenditure increased by 3.2% CAGR (a rate higher than top-line growth), thereby leading to a 238bps contraction in the EBITDA margin. Proforma consolidated EBITDA was almost flat during the period and stood at Rs. 82.2cr in FY22.

Relatively higher impact of depreciation charge and finance costs mainly in the later part of FY19-22, led to pre-tax loss in FY21 and FY22, compared to a profit of Rs. 17.2cr and Rs. 1.7cr in FY19 and FY20, respectively.

The company reported a positive operating cash flow during the period, except for FY19. Average cash flow over FY20-22 stood at Rs. 89.3cr. Financial liabilities increased by 42.3% CAGR with debt-to-equity ratio of 1.1x in FY22, compared to 0.6x in FY19. Pre-issue average RoIC stood at 4.2% during the period.

Pre-issue proforma consolidated financial snapshot (Rs. cr)	FY19	FY20	FY21	FY22	Q1 FY23	CAGR over FY19-22	Y-o-Y (Annual)
Capacity under maintenance (MW)	2,362	2,626	2,636	2,750	2,792	5.2%	4.3%
Sale of services	163.8	164.9	171.9	157.7	45.9	-1.3%	-8.2%
Other operating revenue	0.6	0.4	0.4	14.4	15.9	197.2%	3843.7%
Revenue from operations	164.4	165.3	172.2	172.2	61.8	1.6%	0.0%
Gross profit	106.5	109.3	118.3	109.4	27.7	0.9%	-7.5%
EBITDA	82.4	88.3	82.2	82.2	17.6	-0.1%	0.0%
Reported PAT	17.2	1.7	(27.7)	(5.0)	(11.6)		-82.1%
Restated adjusted EPS	0.6	0.1	(0.9)	(0.2)	(0.4)		-82.1%
Cash flow from operating activities	(23.1)	22.5	100.7	144.8	(16.0)		43.8%
NOPLAT	35.1	29.5	28.4	29.9	0.8	-5.3%	5.2%
FCF		(244.8)	(22.8)	249.9			
RoIC (%)	6.5%	3.7%	2.8%	3.7%	0.1%	(284) bps	83 bps
Revenue growth rate (%)		0.6%	4.2%	0.0%			
Gross profit growth rate (%)		2.6%	8.3%	-7.5%			
Gross profit margin (%)	64.8%	66.1%	68.7%	63.6%	44.8%	(122) bps	(514) bps
EBITDA growth rate (%)		7.1%	-6.9%	0.0%			
EBITDA margin (%)	50.1%	53.4%	47.7%	47.7%	28.4%	(238) bps	1 bps
EBIT growth rate (%)		-11.9%	-31.9%	-3.3%			
EBIT margin (%)	33.6%	29.4%	19.2%	18.6%	1.7%	(1,500) bps	(63) bps
Restated reported PAT growth rate (%)		-90.2%	-1753.6%	-82.1%			
Restated reported PAT margin (%)	10.4%	1.0%	-16.1%	-2.9%	-18.7%	(1,331) bps	1,322 bps
Inventory days	119.5	108.4	92.0	99.5	55.5	-5.9%	8.2%
Debtor days	27.9	60.5	94.2	121.6	85.3	63.3%	29.1%
Payable days	(336.6)	(404.9)	(717.2)	(643.3)	(249.2)	24.1%	-10.3%
Cash conversion cycle	(189.1)	(235.9)	(531.0)	(422.2)	(108.4)	30.7%	-20.5%
Fixed asset turnover ratio (x)	0.3	0.2	0.2	0.2	0.1	-19.8%	-12.1%
Total asset turnover ratio (x)	0.1	0.1	0.1	0.1	0.0	-17.5%	-11.2%
Current ratio (x)	1.0	1.1	1.2	0.6	0.6	-18.7%	-52.7%
Quick ratio (x)	0.9	1.1	1.1	0.5	0.5	-16.9%	-53.8%
Total debt (Rs.)	320.3	515.2	661.4	922.4	931.8	42.3%	39.5%
Net debt (Rs.)	314.1	498.2	532.1	812.1	876.3	37.3%	52.6%
Debt to equity (x)	0.6	0.8	0.8	1.1	1.2	22.2%	35.2%
Net debt to EBITDA (x)	3.8	5.6	6.5	9.9	49.9	37.4%	52.6%
RoE (%)	3.4%	0.3%	-3.5%	-0.6%	-1.5%	(397) bps	293 bps
RoA (%)	1.5%	0.1%	-1.5%	-0.2%	-0.5%	(174) bps	124 bps
RoCE (%)	5.6%	3.6%	2.2%	2.3%	0.1%	(333) bps	7 bps

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



Competitive strengths:

- Strong and diverse existing portfolio base
- Established track record, favorable national policy support and visibility for future growth
- Reliable cash flow supported by long-term O&M contracts with high credit quality counterparties
- Supported and promoted by the parent company
- Established supply chain in place
- Strong and experienced management team

Business strategy:

- Exploring opportunities to expand the portfolio and scale of operations
- Transitioning to an asset-light model
- Continuing and enhancing focus on predictive maintenance over reactive maintenance
- Provide analytics and asset performance forecast services



Risk and concerns:

- Unfavorable government policies & regulations
- Higher business dependence on the promoter company
- Poor project executions and operational weakness of the promoter company
- Difficulty in expanding business via inorganic route
- Difficulty in maintaining profitability
- O&M competitions from the OEMs

Financial statements:

Proforma consolidated profit and loss statement (Rs. cr)							
	FY19	FY20	FY21	FY22	Q1 FY23	CAGR over FY19 - 22	Annual growth over FY21
Revenue from operations	164.4	165.3	172.2	172.2	61.8	1.6%	0.0%
EPC, O&M and common infrastructure facility expense	(57.9)	(56.0)	(53.9)	(48.3)	(18.2)	-5.9%	-10.4%
Purchases of stock-in-trade				(22.2)	(15.9)		
Changes in inventories				7.8			
Gross profit	106.5	109.3	118.3	109.4	27.7	0.9%	-7.5%
Employee benefits expense	(21.7)	(18.2)	(18.8)	(21.7)	(5.9)	0.0%	15.2%
Other expenses	(2.4)	(2.8)	(17.3)	(5.6)	(4.2)	32.1%	-67.8%
EBITDA	82.4	88.3	82.2	82.2	17.6	-0.1%	0.0%
Depreciation and amortization expense	(27.2)	(39.6)	(49.1)	(50.2)	(16.5)	22.7%	2.2%
EBIT	55.2	48.7	33.1	32.0	1.0	-16.6%	-3.3%
Finance costs	(30.1)	(53.0)	(60.5)	(54.8)	(18.0)	22.1%	-9.5%
Other income	2.0	6.8	14.0	18.1	1.4	106.6%	28.7%
Share of profit/(loss) of associates	(0.2)	0.2	(19.0)				
PBT	27.0	2.8	(32.3)	(4.7)	(15.6)		-85.5%
Tax expenses	(9.8)	(1.1)	4.6	(0.2)	4.0	-70.8%	
Reported PAT	17.2	1.7	(27.7)	(5.0)	(11.6)		-82.1%

Proforma consolidated balance sheet statement (Rs. cr)							
	FY19	FY20	FY21	FY22	Q1 FY23	CAGR over FY19 - 22	Annual growth over FY21
Equity share capital	57.4	116.2	128.6	235.0	235.0	60.0%	82.7%
Equity component of compound financial instrument	32.9	32.9	32.9				
Other equity	420.5	511.9	620.4	571.6	560.0	10.8%	-7.9%
Non current borrowings	242.4	446.7	576.5	459.4	439.5	23.8%	-20.3%
Other non current financial liabilities		11.8	4.8				
Non current provisions	1.4	1.4	1.7	2.2	2.0	15.9%	31.8%
Other non current liabilities	234.2	254.4	252.0	238.6	236.5	0.6%	-5.3%
Trade payables	53.4	71.0	140.9	80.3	94.5	14.6%	-43.0%
Current borrowings	48.8	42.5	73.0	444.8	470.4	108.9%	509.3%
Other current financial liabilities	29.2	14.3	7.1	18.3	21.9	-14.4%	158.2%
Current provisions	0.4	0.4	0.5	0.1	0.1	-39.2%	-80.2%
Other current liabilities	14.4	51.2	46.7	70.5	67.8	69.6%	50.8%
Total liabilities	1,134.9	1,554.6	1,885.0	2,120.6	2,127.7	23.2%	12.5%
Property, plant and equipment	475.8	736.9	762.0	953.0	994.0	26.1%	25.1%
Intangible assets	0.1	3.7	0.0	0.0	0.0	-53.4%	-37.5%
Capital work-in-progress	58.5	26.3	192.4	132.8	105.5	31.4%	-31.0%
Non current investments	69.3	69.6	32.5	32.5		-22.3%	0.0%
Other non current financial assets	310.0	394.9	456.9	509.6	494.7	18.0%	11.5%
Net deferred tax assets	32.2	60.2	98.9	124.6	128.5	57.0%	25.9%
Net income tax assets	14.6	26.5	12.1	16.4	18.1	3.9%	35.9%
Other non current assets	22.1	33.0	13.3	8.6	8.2	-26.9%	-35.4%
Inventories	18.9	14.3	12.8	21.4	21.0	4.1%	66.7%
Trade receivables	12.6	42.3	46.7	68.0	58.6	75.5%	45.8%
Current investment	1.3	2.9					
Cash and cash equivalents	4.9	14.2	129.3	110.4	55.5	182.8%	-14.6%
Current loans	0.5	7.9	8.7	31.1	35.5	290.3%	259.6%
Other current financial assets	68.0	42.3	39.4	22.2	49.3	-31.1%	-43.6%
Other current assets	46.0	79.7	80.0	90.0	126.3	25.1%	12.5%
Assets classified as held for sale					32.5		
Total assets	1,134.8	1,554.6	1,885.0	2,120.6	2,127.7	23.2%	12.5%

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

Financial statements (Contd...):

Proforma consolidated cash flow statement (Rs. cr)							
	FY19	FY20	FY21	FY22	Q1 FY23	CAGR over FY19 - 22	Annual growth over FY21
Cash flow before working capital changes	79.4	90.0	164.6	51.7	19.9	-13.4%	-68.6%
Working capital changes	(103.9)	(55.5)	(78.5)	88.7	(33.9)		
Cash flow from operating activities	(23.1)	22.5	100.7	144.8	(16.0)		43.8%
Purchase of fixed assets and CWIP	(87.6)	(295.8)	(75.8)	(149.5)	(30.0)	19.5%	97.3%
Cash flow from investing activities	(151.2)	(308.6)	(90.2)	(153.4)	(19.4)	0.5%	70.1%
Cash flow from financing activities	158.6	288.5	106.9	(66.9)	(0.2)		
Net cash flow	(15.7)	2.4	117.4	(75.5)	(35.5)	68.9%	
Opening balance of cash	16.0	0.4	2.7	120.2	44.7	95.7%	4421.9%
Closing balance of cash	0.4	2.7	120.0	44.7	9.2	398.5%	-62.7%

Proforma consolidated financial ratios					
Particulars	FY19	FY20	FY21	FY22	Q1 FY23
Profitability ratios					
Revenue growth rate (%)			0.6%	4.2%	0.0%
Gross profit growth rate (%)			2.6%	8.3%	-7.5%
Gross profit margin (%)	64.8%	66.1%	68.7%	63.6%	44.8%
EBITDA growth rate (%)		7.1%	-6.9%	0.0%	
EBITDA margin (%)	50.1%	53.4%	47.7%	47.7%	28.4%
EBIT growth rate (%)		-11.9%	-31.9%	-3.3%	
EBIT margin (%)	33.6%	29.4%	19.2%	18.6%	1.7%
Restated reported PAT growth rate (%)		-90.2%	-1753.6%	-82.1%	
Restated reported PAT margin (%)	10.4%	1.0%	-16.1%	-2.9%	-18.7%
Turnover ratios					
Inventories turnover ratio (x)	8.7	9.9	12.7	10.1	2.9
Trade receivable turnover ratio (x)	13.1	6.0	3.9	3.0	1.1
Accounts payable turnover ratio (x)	3.1	2.7	1.6	1.6	0.7
Fixed asset turnover ratio (x)	0.3	0.2	0.2	0.2	0.1
Total asset turnover ratio (x)	0.1	0.1	0.1	0.1	0.0
Return ratios					
RoIC (%)	6.5%	3.7%	2.8%	3.7%	0.1%
RoE (%)	3.4%	0.3%	-3.5%	-0.6%	-1.5%
RoA (%)	1.5%	0.1%	-1.5%	-0.2%	-0.5%
RoCE (%)	5.6%	3.6%	2.2%	2.3%	0.1%
Per share data					
Restated adjusted EPS (Rs.)	0.6	0.1	(0.9)	(0.2)	(0.4)
DPS (Rs.)	0.0	0.0	0.0	0.0	0.0
BVPS (Rs.)	17.5	22.6	26.8	27.6	27.2
Operating cash flow per share (Rs.)	(0.8)	0.8	3.4	5.0	(0.5)
Free cash flow per share (Rs.)		(8.4)	(0.8)	8.6	
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%

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

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