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IPO REPORT

**“Subscribe for Long Term” to
Macrotech Developers Ltd.**

One of the largest player in the MMR region

Salient features of the IPO:

- **Macrotech Developers Ltd.** (Macrotech) formerly known as Lodha Developers Ltd., is planning to raise up to Rs. 2,500cr through an IPO, which opens on 7th Apr. and closes on 9th Apr. 2021. The price band is Rs. 483 - 486 per share.
- The issue comprises of only fresh issue. Of the net proceeds from the fresh issue, Rs. 1,500cr will be utilized to reduce the outstanding borrowings, Rs. 375cr will be used for land acquisition & land development rights. Residual funds will be used for general corporate purposes.
- This would be the third attempt by the Macrotech to launch an IPO. The company had initially filed draft red herring prospectus in Sept. 2009 and then again in Apr. 2018. At both the times, the planned public issue was shelved amid market turmoil.

Key competitive strengths:

- One of India's largest residential real estate developers with a leadership position in the attractive MMR market
- Well-established brand with ability to sell at premium pricing and throughout the construction phase
- Proven end-to-end execution capabilities with continuous innovation and ability to deliver projects at competitive cost
- Strong focus on sustainable development
- Highly diversified portfolio across price points and micro-markets in the MMR with a focus on affordable and mid-income housing
- Significant inventory of completed, ready-to-move units
- Unique ability to develop townships and generate recurring operating cash flows from them
- Innovative marketing and sales strategies
- High quality management team

Risk and concerns:

- Re-emergence of the Covid-19 infection
- Unfavorable business environment and difficulty/delay in asset monetization
- Rise in interest rate
- Inability to maintain profitability
- Unfavorable government policies or discontinuation of sops for the buyers
- Competition

Peer comparison and valuation: At higher price band of Rs. 486, the company is demanding an TTM EV/Sales multiple of 6.3x, which is at discount to the peer average of 8.5x. Thus, the issue seems to be attractively priced.

Below are a few key observations of the issue: (continued in next page)

- Real estate market contributed around 6% to India's GDP in 2017 and is likely to contribute about 13% to the GDP by 2025. Consequently, the domestic real estate market, which has grown by 10% CAGR over 2008-17 to USD 120bn in 2017 is expected to further grow at 17.7% CAGR to reach USD 1tn by 2030.

Recommendation	Subscribe for Long Term
Price band	Rs. 483 - 486 per share
Face value	Rs. 10
Shares for fresh issue	5.14 - 5.18cr shares
Shares for OFS	Nil
Fresh issue size	Rs. 2,500cr
OFS issue size	N/a
Total issue size	5.14 - 5.18cr shares (Rs. 2,500cr)
Employee reservation	0.0617 - 0.0621cr shares (Rs. 30cr)
Net issue size	5.08 - 5.11cr shares (Rs. 2,470cr)
Bidding date	7 th Apr. - 9 th Apr. 2021
MCAP at higher price band	Rs. 21,740cr
Enterprise value at higher price band	Rs. 38,625cr
Book running lead manager	Axis Capital, J.P. Morgan India, Kotak Mahindra Capital, ICICI Securities, Edelweiss Financial Services, IIFL Securities, JM Financial, YES Securities, SBI Capital Markets and BOB Capital Markets
Registrar	Link Intime India Pvt. Ltd.
Sector/Industry	Realty
Promoters	Mr. Abhishek Mangal Prabhat Lodha, Mr. Rajendra Narpatmal Lodha, Sambhavnath Infrabuild and Sambhavnath Trust

Issue breakup		
Category	Percent of issue (%)	Number of shares
QIB portion	50%	2.54 - 2.56cr shares
Non institutional portion	15%	0.76 - 0.77cr shares
Retail portion	35%	1.78 - 1.79cr shares

Indicative IPO process time line		
Finalization of basis of allotment		16 th Apr. 2021
Unblocking of ASBA account		19 th Apr. 2021
Credit to demat accounts		20 th Apr. 2021
Commencement of trading		22 nd Apr. 2021

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	100.00%	88.50%
Public	0.00%	11.50%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot		
Number of shares per lot		30
Application money		Rs. 14,580 per Lot

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Peer comparison and valuation (Contd...):

Company name	Face value (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs. cr)	Stock return (%)				TTM operating revenue (Rs. cr)	TTM EBITDA (Rs. cr)	TTM PAT (Rs. cr)	TTM EBITDA margin (%)	TTM PAT margin (%)
					1 M	3 M	6 M	1 Y					
Macrotech Developers Ltd.	10	486	21,740	38,625					6,085	836	322	13.7%	5.3%
Brigade Enterprises Ltd.	10	261	5,428	9,018	-8.6%	7.4%	59.7%	96.9%	1,795	418	(83)	23.3%	-4.6%
DLF Ltd.	2	276	68,405	71,881	-5.0%	22.4%	87.3%	119.9%	5,396	1,281	(1,245)	23.7%	-23.1%
Godrej Properties Ltd.	5	1,357	34,207	34,849	-9.6%	-2.5%	60.6%	133.2%	1,495	(24)	102	-1.6%	6.8%
Oberoi Realty Ltd.	10	572	20,787	21,679	4.9%	-1.9%	41.8%	77.9%	1,878	997	704	53.1%	37.5%
Prestige Estates Projects Ltd.	10	298	11,946	19,621	1.7%	15.5%	21.7%	69.9%	6,979	1,921	135	27.5%	1.9%
Sobha Ltd.	10	430	4,079	7,091	1.5%	9.6%	95.7%	202.1%	2,467	780	95	31.6%	3.9%
Sunteck Realty Ltd.	1	276	4,033	4,635	-19.7%	-20.9%	6.4%	38.2%	500	95	44	19.0%	8.8%
Indiabulls Real Estate Ltd.	2	84	3,828	4,441	-6.4%	9.0%	69.2%	122.9%	906	(46)	(200)	-5.0%	-22.1%
Kolte-Patil Developers Ltd.	10	237	1,799	2,218	-3.1%	-3.0%	48.0%	98.1%	617	27	(43)	4.4%	-6.9%
Average												19.6%	0.2%

Company Name	TTM EPS (Rs.)	BVPS (Rs.)	DPS (Rs.)	Debt equity ratio	Total asset turnover ratio	RoE (%)	RoCE (%)	P / E (x)	P / B (x)	EV / Sales (x)	EV / EBITDA (x)	MCAP / Sales (x)	Earning yield (%)
Macrotech Developers Ltd.	7.2	157.7	0.0	3.0	0.1	-1.9%	6.7%	67.5	3.1	6.3	46.2	3.6	1.5%
Brigade Enterprises Ltd.	(4.0)	109.5	2.8	1.7	0.1	-3.6%	3.0%	(65.2)	2.4	5.0	21.6	3.0	-1.5%
DLF Ltd.	(5.0)	139.2	3.3	0.2	0.1	-3.6%	2.7%	(54.9)	2.0	13.3	56.1	12.7	-1.8%
Godrej Properties Ltd.	4.1	190.6	0.0	0.7	0.2	2.1%	-1.0%	334.1	7.1	23.3	(1,470.4)	22.9	0.3%
Oberoi Realty Ltd.	19.3	237.3	2.4	0.1	0.2	8.2%	10.9%	29.5	2.4	11.5	21.7	11.1	3.4%
Prestige Estates Projects Ltd.	3.4	133.7	3.0	1.6	0.2	2.5%	10.1%	88.3	2.2	2.8	10.2	1.7	1.1%
Sobha Ltd.	10.0	256.3	7.0	1.3	0.2	3.9%	25.8%	42.9	1.7	2.9	9.1	1.7	2.3%
Sunteck Realty Ltd.	3.0	199.5	1.7	0.3	0.1	1.5%	2.7%	91.5	1.4	9.3	48.7	8.1	1.1%
Indiabulls Real Estate Ltd.	(4.4)	78.3	0.0	0.3	0.1	-5.6%	-1.5%	(19.2)	1.1	4.9	(97.4)	4.2	-5.2%
Kolte-Patil Developers Ltd.	(5.6)	119.1	2.6	0.6	0.2	-4.7%	1.2%	(41.9)	2.0	3.6	81.2	2.9	-2.4%
Average			2.5	0.7	0.2	0.1%	6.0%	45.0	2.5	8.5	(146.6)	7.6	-0.3%

Source: Choice Broking Research

- With a share of 24% of total supply (by units), 32% of total absorption (by units) and 46% of total absorption (by value) in the top-7 domestic markets, the Mumbai Metropolitan Region (MMR) was the top performer in overall residential activity in 2020.
- In term of residential sales value over FY14-20, Macrotech was one of the largest real estate developers in India. Its core business is residential real estate developments with a focus on affordable & mid-income housing. Currently, the company has residential projects in the MMR and Pune region with significant presence in the MMR region. Macrotech also develops commercial real estate, including as part of mixed-use developments in and around its core residential projects.
- Its brands include “Lodha”, “CASA by Lodha” and “Crown - Lodha Quality Homes” for the affordable & mid-income housing projects; the “Lodha” and “Lodha Luxury” brands for the premium & luxury housing projects and the “iThink”, “Lodha Excelus” and “Lodha Supremus” brands for its office spaces.
- According to the company, it is an early entrant to the affordable & mid-income housing category and introduced one or more high-quality amenities in its projects, such as a large swimming pool, a private movie theatre, a cricket ground, a football stadium etc. In its commercial portfolio, office space projects comprises of corporate offices, IT campuses and boutique office spaces, which are concentrated in suburban locations.
- The company has in-house capabilities to professionally manage the real estate value chain and deliver the project from conceptualization to completion. Moreover, its sales team is supported by a multiple channel distribution network across India as well as in key non-resident Indian markets, such as the Gulf Cooperation Council, United Kingdom, Singapore and the United States.
- As of 31st Dec. 2020, Macrotech has completed 91 projects comprising of approximately 7.7cr square feet of developable area, of which 5.9cr square feet was in affordable & mid-income housing, 1.2cr square feet in premium & luxury housing, 0.5cr square feet in office space and 0.1cr square feet in retail space. The company also has 36 ongoing projects comprising of around 2.9cr square feet of developable area, of which 2.4cr square feet is in affordable & mid-income housing, 0.3cr square feet in premium & luxury housing and 0.2cr square feet in office space. The company also has planned 18 projects comprising of approximately 4.5cr square feet of developable area, of which around 79% is for affordable & mid-income housing. In addition to the ongoing and planned projects, Macrotech has land reserves of approximately 3,803 acres for future development in the MMR region with the potential to develop around 32.2cr square feet of developable area.

Peer comparison and valuation (Contd...):

- In 2019, Macrotech forayed into the development of logistics & industrial parks and entered into a joint venture with ESR Mumbai 3 Pte. Ltd. (ESR), a subsidiary of ESR Cayman Ltd. - an Asia Pacific focused logistics real estate platform. Under this business unit, the company has planned to develop a logistics & industrial park over 800 acres of land near Palava, which is strategically located near the Jawaharlal Nehru Port, the proposed international airport in Navi Mumbai and the industrial hub of Taloja. As of 31st Dec. 2020, around 290 acres is under development, including an 89-acre logistics & industrial park that is being developed in partnership with ESR. Macrotech's product offering includes built to suit structures, standard structures and land parcels for its logistics & industrial clients. In Mar. 2021, the company has entered into an agreement to sell approximately 30.7 acres of land at Palava Industrial and Logistics Park 1, for a total consideration of Rs. 106cr (payable in tranches), to Bati Mumbai Pvt. Ltd. for developing warehouses and/or industrial buildings.
- Macrotech has two investments in the United Kingdom, aggregating to GBP 208mn (net of provisions). Both these projects are now complete and the net proceeds after repaying the borrowings are likely to be repatriated over time to the company.
- The company has reported a depressed short financial history characterized by declining profitability and declining business growth. Despite completing key projects in the domestic as well as in overseas markets during FY18-20, the company recognized lower business from these projects, thereby leading to a 3.9% CAGR fall in income from property development, which formed around 97% of the total revenue. Consequently, consolidated operating revenue declined by 4.1% CAGR to Rs. 11,979.6cr in FY20. Total operating expenditure increased by 1.4% CAGR, thereby leading to a 23.6% CAGR fall in consolidated EBITDA to Rs. 1,920.3cr in FY20. EBITDA margin contracted from 24.3% in FY18 to Rs. 15.4% in FY20. Depreciation and amortization charge declined by 12.3% CAGR, while finance cost increased by 38.5% CAGR. As a result, adjusted PAT declined by 36.3% CAGR to at Rs. 725.3cr. PAT margin contracted by over 7ppts over FY18-20 to 5.8% in FY20. Except for FY19, Macrotech reported a positive operating cash flow in FY18 and FY20 with a growth of 132.8% CAGR over FY18-20. Consolidated debt declined by 8.9% CAGR, while net-debt to EBITDA ratio deteriorating from 7.1x in FY18 to 10.1x in FY20. RoE and RoCE is in declining trend with an average of 46.3% and 39.6%, respectively.
- For the 9M FY21, the business was impacted by Covid-19 led lockdown, thereby reporting a 68.6% Y-o-Y lower top-line to Rs. 2,915cr. EBITDA and adjusted PAT margins expanded by 156bps and 18bps, respectively, to 19.3% and 6.6% for 9M FY21. On TTM basis, top-line stood at Rs. 6,084.6cr with EBITDA and adjusted PAT margin of 13.7% and 5.3%, respectively.

At higher price band of Rs. 486, the company is demanding an TTM EV/Sales multiple of 6.3x, which is at discount to the peer average of 8.5x. Thus, the issue seems to be attractively priced. Moreover, the real estate sector is witnessing significant consolidation especially after the NBFC crisis. Dominant players like Macrotech are likely to benefit in the medium to long term. However, the resurgence of the Covid-19 infection and discontinuation of stamp duty waiver on property registration would dent the sentiment in the near term. Thus considering the above observations, we assign a **"Subscribe for Long Term"** rating for the issue.

About the issue:

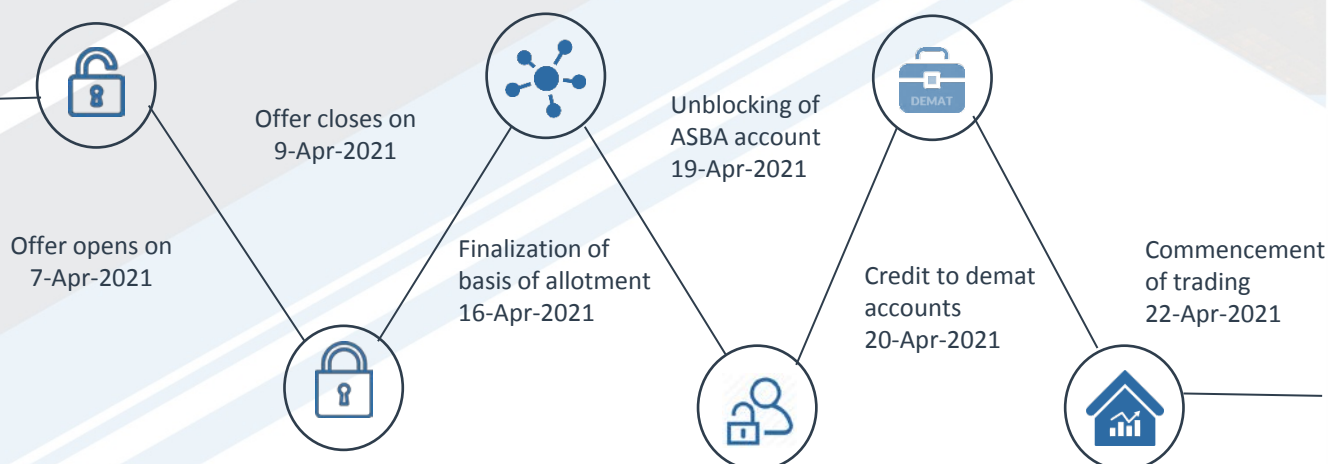
- Macrotech is coming up with an initial public offering (IPO) with 5.14 - 5.18cr shares (fresh issue: 5.14 - 5.18cr shares; OFS shares: nil shares) in offering. The offer represents around 11.50% of its post issue paid-up equity shares of the company. Total IPO size is Rs. 2,500cr.
- The issue will open on 7th Apr. 2021 and close on 9th Apr. 2021.
- The issue is through book building process with a price band of Rs. 483 - 486 per share.
- 0.0617 - 0.0621cr shares (aggregating to Rs. 30cr) are reserved for eligible employees.
- The issue comprises of only fresh issue. Of the net proceeds from the fresh issue, Rs. 1,500cr will be utilized to reduce the outstanding borrowings, Rs. 375cr will be used for land acquisition & land development rights. Residual funds will be used for general corporate purposes.
- 50% of the net issue shall be allocated on a proportionate basis to qualified institutional buyers, while rest 15% and 35% is reserved for non-institutional bidders and retail investors, respectively.
- Promoter holds 100.00% stake in the company and post-IPO this will come down to 88.50%. Public holding will increase from current nil to 11.50%.

Pre and post issue shareholding pattern (%)

	Pre Issue	Post Issue (at higher price band)
Promoter & Promoter Group (%)	100.00%	88.50%
Public (%)	00.00%	11.50%

Source: Choice Equity Broking

Indicative IPO process time line:



Financial performance:

Performance over FY18-20: The company has reported a depressed short financial history characterized by declining profitability and declining business growth. Despite completing key projects in the domestic as well as in overseas markets during FY18-20, the company recognized lower business from these projects, thereby leading to a 3.9% CAGR fall in income from property development, which formed around 97% of the total revenue. Consequently, consolidated operating revenue declined by 4.1% CAGR to Rs. 11,979.6cr in FY20.

Total operating expenditure increased by 1.4% CAGR, thereby leading to a 23.6% CAGR fall in consolidated EBITDA to Rs. 1,920.3cr in FY20. EBITDA margin contracted from 24.3% in FY18 to Rs. 15.4% in FY20. Cost of projects, which formed around 87% of the total operating cost increased by 3.5% CAGR, mainly on account of change in project-mix.

Depreciation and amortization charge declined by 12.3% CAGR, while finance cost increased by 38.5% CAGR. As a result, adjusted PAT declined by 36.3% CAGR to at Rs. 725.3cr. PAT margin contracted by over 7ppts over FY18-20 to 5.8% in FY20.

Except for FY19, Macrotech reported a positive operating cash flow in FY18 and FY20 with a growth of 132.8% CAGR over FY18-20. Consolidated debt declined by 8.9% CAGR, while net-debt to EBITDA ratio deteriorating from 7.1x in FY18 to 10.1x in FY20. RoE and RoCE is in declining trend with an average of 46.3% and 39.6%, respectively.

Performance during 9M FY21: For the 9M FY21, the business was impacted by Covid-19 led lockdown, thereby reporting a 68.6% Y-o-Y lower top-line to Rs. 2,915cr. During the period, the company undertook an exceptional loss of Rs. 462.8cr, mainly representing impairment of interest accrued on the loans and investments made in Lodha Developers UK Ltd. and its subsidiaries. EBITDA and adjusted PAT margins expanded by 156bps and 18bps, respectively, to 19.3% and 6.6% for 9M FY21. On TTM basis, top-line stood at Rs. 6,084.6cr with EBITDA and adjusted PAT margin of 13.7% and 5.3%, respectively.

Consolidated financial snapshot (Rs. cr)	FY18	FY19	FY20	9M FY20	9M FY21	TTM	CAGR (%)	Y-o-Y (%, Annual)	Y-o-Y (%, Nine month)
Revenue from operations	13,527.2	11,907.0	12,442.6	9,273.0	2,915.0	6,084.6	-4.1%	4.5%	-68.6%
EBITDA	3,289.7	3,167.0	1,920.3	1,648.0	563.6	835.9	-23.6%	-39.4%	-65.8%
Adjusted PAT	1,785.5	1,636.1	725.3	595.8	192.6	322.1	-36.3%	-55.7%	-67.7%
Restated adjusted EPS	39.9	36.6	16.2	13.3	4.3	7.2	-36.3%	-55.7%	-67.7%
Cash flow from operating activities	696.0	(463.2)	3,773.2	2,263.5	1,436.7	2,946.5	132.8%		-36.5%
NOPLAT	2,358.8	2,864.3	1,559.5	1,401.0	335.4	460.7	-18.7%	-45.6%	-76.1%
FCF		(6.7)	5,594.7		4,709.8				
RoIC (%)	67.5%	45.0%	61.9%	18.8%	11.4%	15.6%	(559) bps	1,686 bps	(747) bps
Revenue growth rate (%)		-12.0%	4.5%		-68.6%				
EBITDA growth rate (%)		-3.7%	-39.4%		-65.8%				
EBITDA margin (%)	24.3%	26.6%	15.4%	17.8%	19.3%	13.7%	(889) bps	(1,117) bps	156 bps
EBIT growth rate (%)		2.8%	-45.7%		-64.9%				
EBIT margin (%)	21.4%	25.0%	13.0%	15.6%	17.4%	11.1%	(841) bps	(1,199) bps	181 bps
Restated adjusted PAT growth rate (%)		-8.4%	-55.7%		-67.7%				
Restated adjusted PAT margin (%)	13.2%	13.7%	5.8%	6.4%	6.6%	5.3%	(737) bps	(791) bps	18 bps
Inventory days	1,056.7	1,236.5	1,034.7	1,158.3	2,704.6	1,751.6	-1.0%	-16.3%	133.5%
Debtor days	19.8	18.7	18.8	20.6	60.2	39.0	-2.7%	0.4%	191.9%
Payable days	(51.9)	(61.0)	(60.2)	(57.2)	(176.2)	(114.1)	7.7%	-1.3%	207.9%
Cash conversion cycle	1,024.6	1,194.2	993.2	1,121.8	2,588.7	1,676.5	-1.5%	-16.8%	130.8%
Fixed asset turnover ratio (x)	6.0	5.5	6.0	4.2	1.4	3.0	-0.3%	8.2%	-66.0%
Total asset turnover ratio (x)	0.3	0.2	0.3	0.2	0.1	0.1	4.0%	28.1%	-62.8%
Current ratio (x)	1.0	1.1	1.0	1.1	1.0	1.0	-0.8%	-7.8%	-9.2%
Debt to equity (x)	11.3	7.2	4.6	6.2	5.0	5.0	-36.4%	-36.7%	-19.9%
Net debt to EBITDA (x)	7.1	8.2	10.1	15.3	34.9	23.5	19.2%	23.5%	127.8%
RoE (%)	80.5%	42.6%	15.9%	13.5%	4.5%	7.5%	(6,453) bps	(2,666) bps	(902) bps
RoA (%)	3.7%	3.3%	1.8%	1.2%	0.5%	0.8%	(195) bps	(150) bps	(77) bps
RoCE (%)	57.5%	40.1%	21.1%	17.4%	6.5%	8.7%	(3,638) bps	(1,897) bps	(1,091) bps

Source: Choice Equity Broking



Competitive strengths:

- One of India's largest residential real estate developers with a leadership position in the attractive MMR market
- Well-established brand with ability to sell at premium pricing and throughout the construction phase
- Proven end-to-end execution capabilities with continuous innovation and ability to deliver projects at competitive cost
- Strong focus on sustainable development
- Highly diversified portfolio across price points and micro-markets in the MMR with a focus on affordable and mid-income housing
- Significant inventory of completed, ready-to-move units
- Unique ability to develop townships and generate recurring operating cash flows from them
- Innovative marketing and sales strategies
- High quality management team

Business strategy:

- Focus on enhancing leadership position in residential developments by growing in the MMR and gradually diversifying in select tier-I Indian cities
- Leverage leadership position to act as a partner of choice for landowners and grow using a joint development or joint venture approach
- Pursue a value-accretive land acquisition strategy
- Develop large-scale industrial parks
- Focus on development of commercial projects as part of mixed-use developments



Risk and concerns:

- Re-emergence of the Covid-19 infection
- Unfavorable business environment and difficulty/delay in asset monetization
- Rise in interest rate
- Inability to maintain profitability
- Unfavorable government policies or discontinuation of sops for the buyers
- Competition

Financial statements:

Consolidated profit and loss statement (Rs. cr)

	FY18	FY19	FY20	9M FY20	9M FY21	TTM	CAGR over FY18 - 20 (%)	Annual growth over FY19 (%)	Nine months growth over FY19 (%)
Revenue from operations	13,527.2	11,907.0	12,442.6	9,273.0	2,915.0	6,084.6	-4.1%	4.5%	-68.6%
Cost of projects	(8,908.5)	(7,378.0)	(9,550.0)	(6,910.0)	(2,052.4)	(4,692.4)	3.5%	29.4%	-70.3%
Employee benefits expense	(493.0)	(389.9)	(390.4)	(334.1)	(201.5)	(257.8)	-11.0%	0.1%	-39.7%
Other expenses	(836.1)	(972.1)	(581.9)	(381.0)	(97.6)	(298.5)	-16.6%	-40.1%	-74.4%
EBITDA	3,289.7	3,167.0	1,920.3	1,648.0	563.6	835.9	-23.6%	-39.4%	-65.8%
Depreciation, amortization and impairment expenses	(397.9)	(194.4)	(306.4)	(202.2)	(56.4)	(160.6)	-12.3%	57.6%	-72.1%
EBIT	2,891.7	2,972.6	1,613.9	1,445.7	507.2	675.3	-25.3%	-45.7%	-64.9%
Finance costs	(381.6)	(555.6)	(731.5)	(578.6)	(811.0)	(963.9)	38.5%	31.7%	40.2%
Other income	199.4	71.9	118.4	84.4	245.5	279.5	-22.9%	64.7%	190.9%
Exceptional items	0.0	0.0	5.6	0.0	(462.8)	(457.1)			
Share of profit / (loss) of associates	0.0	0.0	(0.0)	(0.0)	(0.3)	(0.3)			
PBT	2,709.5	2,488.9	1,006.3	951.5	(521.3)	(466.5)	-39.1%	-59.6%	-154.8%
Tax expenses	(920.1)	(844.9)	(261.5)	(448.4)	257.0	444.0	-46.7%	-69.1%	-157.3%
PAT before minority interest	1,789.4	1,644.0	744.8	503.1	(264.3)	(22.5)	-35.5%	-54.7%	-152.5%
Minority interest	(3.9)	(7.8)	(14.0)	92.7	(6.1)	(112.8)	89.9%	78.4%	-106.6%
Reported PAT	1,785.5	1,636.1	730.9	595.8	(270.4)	(135.3)	-36.0%	-55.3%	-145.4%
Adjusted PAT	1,785.5	1,636.1	725.3	595.8	192.6	322.1	-36.3%	-55.7%	-67.7%

Consolidated balance sheet statement (Rs. cr)

	FY18	FY19	FY20	9M FY20	9M FY21	TTM	CAGR over FY18 - 20 (%)	Annual growth over FY19 (%)	Nine months growth over FY19 (%)
Equity share capital	395.9	395.9	395.9	395.9	395.9	395.9	0.0%	0.0%	0.0%
Other equity	1,823.2	3,445.1	4,156.4	4,014.8	3,891.0	3,891.0	51.0%	20.6%	-3.1%
Non controlling interest	35.9	534.8	519.2	409.0	525.3	525.3	280.3%	-2.9%	28.4%
Non current borrowings	2,509.2	2,791.7	2,142.8	2,929.9	2,517.3	2,517.3	-7.6%	-23.2%	-14.1%
Non current trade payables	232.4	205.7	223.1	207.1	174.5	174.5	-2.0%	8.4%	-15.8%
Non current financial liabilities	7.3	13.9	86.4	60.1	146.4	146.4	244.0%	522.4%	143.5%
Non current provisions	24.8	26.2	17.7	16.2	17.5	17.5	-15.5%	-32.5%	7.9%
Net deferred tax liabilities		0.0	0.1	158.3	0.0	0.0		18.6%	
Other non current liabilities			96.9	97.6	95.5	95.5			-2.1%
Current borrowings	20,106.9	22,848.8	16,280.3	22,068.5	16,144.9	16,144.9	-10.0%	-28.7%	-26.8%
Current financial liabilities	2,516.6	2,161.4	2,352.8	2,274.7	2,464.4	2,464.4	-3.3%	8.9%	8.3%
Trade payables	1,924.6	2,057.4	2,049.7	1,965.2	1,902.3	1,902.3	3.2%	-0.4%	-3.2%
Current provisions	9.2	9.2	6.3	6.3	5.4	5.4	-17.7%	-32.0%	-14.4%
Current tax liabilities	88.4	0.8	18.4	24.9	71.2	71.2	-54.4%	2089.5%	186.4%
Other current liabilities	18,136.9	15,372.9	12,346.7	13,398.6	12,243.0	12,243.0	-17.5%	-19.7%	-8.6%
Total liabilities	47,811.3	49,863.9	40,692.6	48,027.1	40,594.6	40,594.6	-7.7%	-18.4%	-15.5%
Capital employed	5,028.6	7,413.3	7,638.4	8,289.0	7,763.4	7,763.4	23.2%	3.0%	-6.3%
Property, plant and equipment	1,285.3	1,282.7	1,185.1	1,228.6	1,136.4	1,136.4	-4.0%	-7.6%	-7.5%
Other intangible assets	2.4	1.7	1.0	1.3	0.5	0.5	-34.5%	-39.7%	-61.2%
Capital work-in-progress	5.9	6.3	6.3	6.3	6.3	6.3	3.1%	0.0%	0.0%
Investment property	199.0	193.3	288.2	290.5	281.4	281.4	20.3%	49.1%	-3.1%
Goodwill	748.1	661.1	546.7	610.9	546.7	546.7	-14.5%	-17.3%	-10.5%
Investments accounted for using the equity method	14.0	14.0	58.3	58.1	58.5	58.5	104.4%	317.7%	0.7%
Non current investments	121.6	121.6	204.3	228.6	217.2	217.2	29.6%	68.0%	-5.0%
Non current loans	45.5	194.5	4,256.0	116.7	3,702.1	3,702.1	867.6%	2087.9%	3071.6%
Other non current financial assets	51.1	56.0	131.7	34.7	188.9	188.9	60.6%	135.2%	444.1%
Non current net deferred tax assets	1,103.3	320.6	93.6	60.0	408.4	408.4	-70.9%	-70.8%	581.0%
Non current net tax assets	150.0	297.8	363.5	348.0	222.8	222.8	55.7%	22.1%	-36.0%
Other non current assets	62.6	64.0	70.2	67.2	75.2	75.2	5.9%	9.7%	11.9%
Inventories	39,163.5	41,512.4	29,031.4	39,782.6	29,200.1	29,200.1	-13.9%	-30.1%	-26.6%
Trade receivables	734.0	484.3	794.3	708.6	650.2	650.2	4.0%	64.0%	-8.2%
Current investments	1,248.6	1,269.4	1,290.4	1,244.1	1,298.4	1,298.4	1.7%	1.6%	4.4%
Cash and cash equivalents	522.4	657.5	187.0	828.9	295.3	295.3	-40.2%	-71.6%	-64.4%
Current loans	563.2	480.2	416.7	486.3	413.8	413.8	-14.0%	-13.2%	-14.9%
Other current financial assets	517.2	750.5	616.4	662.5	680.7	680.7	9.2%	-17.9%	2.8%
Other current assets	1,273.7	1,495.9	1,151.6	1,263.2	1,211.7	1,211.7	-4.9%	-23.0%	-4.1%
Total assets	47,811.3	49,863.9	40,692.6	48,027.1	40,594.6	40,594.6	-7.7%	-18.4%	-15.5%

Financial statements:

Consolidated cash flow statement (Rs. cr)

Particulars (Rs. mn)	FY18	FY19	FY20	9M FY20	9M FY21	TTM	CAGR over FY18 - 20 (%)	Annual growth over FY19 (%)	Nine months growth over FY19 (%)
Cash flow before working capital changes	6,025.9	5,796.0	4,266.5	3,433.4	1,514.5	2,347.5	-15.9%	-26.4%	-55.9%
Change in working capital	(4,765.2)	(5,947.6)	(411.2)	(1,114.4)	(213.5)	489.7	-70.6%	-93.1%	-80.8%
Cash flow from operating activities	696.0	(463.2)	3,773.2	2,263.5	1,436.7	2,946.5	132.8%		-36.5%
Purchase of property , plant & equipment	(41.7)	(105.6)	(37.5)	(55.3)	(0.9)	16.9	-5.2%	-64.5%	-98.4%
Cash flow from investing activities	(655.2)	(184.3)	211.7	(64.9)	290.4	567.0			
Cash flow from financing activities	23.9	735.9	(4,189.6)	(2,294.2)	(1,645.6)	(3,540.9)			-28.3%
Net cash flow	64.7	88.5	(204.7)	(95.7)	81.5	(27.5)			
Opening balance of cash and bank balances	190.5	264.1	323.2	353.6	123.5	257.9	30.3%	22.4%	-65.1%
Closing balance of cash and bank balances	255.2	352.5	118.5	257.9	205.1	230.4	-31.8%	-66.4%	-20.5%

Particulars (Rs. mn)	FY18	FY19	FY20	9M FY20	9M FY21	TTM
Revenue growth rate (%)			-12.0%	4.5%		-68.6%
EBITDA growth rate (%)			-3.7%	-39.4%		-65.8%
EBITDA margin (%)	24.3%	26.6%	15.4%	17.8%	19.3%	13.7%
EBIT growth rate (%)		2.8%	-45.7%			-64.9%
EBIT margin (%)	21.4%	25.0%	13.0%	15.6%	17.4%	11.1%
PAT growth rate (%)			-8.4%	-55.7%		-67.7%
PAT margin (%)	13.2%	13.7%	5.8%	6.4%	6.6%	5.3%
Inventories turnover ratio (x)	0.3	0.3	0.4	0.2	0.1	0.2
Trade receivable turnover ratio (x)	18.4	19.5	19.5	13.1	4.5	9.4
Accounts payable turnover ratio (x)	7.0	6.0	6.1	4.7	1.5	3.2
Fixed asset turnover ratio (x)	6.0	5.5	6.0	4.2	1.4	3.0
Total asset turnover ratio (x)	0.3	0.2	0.3	0.2	0.1	0.1
RoE (%)	80.5%	42.6%	15.9%	13.5%	4.5%	7.5%
RoA (%)	3.7%	3.3%	1.8%	1.2%	0.5%	0.8%
RoCE (%)	57.5%	40.1%	21.1%	17.4%	6.5%	8.7%
Restated reported EPS (Rs.)	39.9	36.6	16.2	13.3	4.3	7.2
Restated DPS (Rs.)						
Restated BVPS (Rs.)	49.6	85.9	101.8	98.6	95.8	95.8
Restated operating cash flow per share (Rs.)	15.6	(10.4)	84.4	50.6	32.1	65.9
Restated free cash flow per share (Rs.)		(0.2)	125.1			
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

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