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IPO REPORT

**“SUBSCRIBE” to
RailTel Corporation of India Ltd.**

Salient features of the IPO:

- **RailTel Corporation of India Ltd.** (RailTel), a miniratna fully owned by the central government that provides telecom & data services to the public and private sectors is planning to raise up to Rs. 8,200mn through an IPO, which opens on 16th Feb. and closes on 18th Feb. 2021. The price band is Rs. 93 - 94 per share.
- The issue comprises of OFS issue only. Thus company will not receive any fund from the IPO.

Key competitive strengths:

- Among the largest neutral telecom infrastructure providers in India with pan-India optic fiber network
- Diversified portfolio of services and solutions
- Key partner to the Indian Railways in digital transformation
- Experience in executing projects of national importance with a robust pipeline of projects
- Strong track record of financial performance
- Professionally managed with strong corporate governance and senior management team with significant industry experience

Risk and concerns:

- Unfavorable government policies and regulations
- Lower spending from the central and state governments
- Difficulty in monetizing assets
- Competition from the private operators

Peer comparison and valuation: There are no listed peers, having similar operating model. At the higher price band of Rs. 94 per share, the company's share is valued at a FY20 P/E multiple of 15.8x (to its restated EPS of Rs. 5.9).

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

- The Ministry of Railways (MoR) have formed RailTel in 2000, to undertake Indian railway's (IR) tasks of expeditiously modernizing their entire telecommunications system for train control, operation and safety. IR has authorized the company to use their right of way for establishing and laying optical fiber cable (OFC) network, cables and pipes; and then transferring the OFC assets to RailTel. Pursuant to an agreement with the MoR, RailTel will commercially exploit the surplus capacity of the network while the MoR will continue to make captive use of the same.
- RailTel is one of the largest neutral telecom infrastructure providers in India. As of 31st Jan. 2021, it had an exclusive right of way along 67,415 route kilometers connecting 7,321 railway stations for laying OFC. The company has 59,098 route kilometers of OFC network, connecting 5,929 railway stations across towns and cities in India. It also has city wide access network of over 18,000 kilometers and offers high capacity bandwidth of up to 800G at 87 locations in India. The company also offers leased line and VPN facilities and also provide IP-1 services.
- Its pan-India network comprises various technologies including next generation network, packet transport network, DWDM and IP-MPLS that are maintained by network operations centers at Mumbai, Delhi, Kolkata and Secunderabad. These centers provide VPN, point-to-point leased line to enterprises, public sector banks, defense organizations and educational institutions. Additionally, the company has a central network operations center located at New Delhi that monitors the entire pan-India network

Recommendation	SUBSCRIBE
Price band	Rs. 93 - 94 per share
Face value	Rs. 10
Shares for fresh issue	Nil
Shares for OFS	87.1534mn shares
Fresh issue size	N/a
OFS issue size	Rs. 8,105.3 - 8,192.4mn
Total issue size	87.1534mn shares (Rs. 8,105.3 - 8,192.4mn)
Reserved for eligible employees	0.5mn shares
Net issue size	86.6534mn shares (Rs. 8,058.8 - 8,145.4mn)
Bidding date	16 th Feb. - 18 th Feb. 2021
MCAP at higher price band	Rs. 30,168mn
Enterprise value at higher price band	Rs. 29,810mn
Book running lead manager	ICICI Securities Ltd., IDBI Capital Markets & Securities Ltd. and SBI Capital Markets Ltd.
Registrar	KFin Technologies Pvt. Ltd.
Sector/Industry	Telecom Services
Promoters	The President of India, acting through the Ministry of Railways, Government of India

Category	Percent of issue (%)	Number of shares (mn)
QIB portion	50%	43.3267mn shares
Non institutional portion	15%	12.9980mn shares
Retail portion	35%	30.3287mn shares

Indicative IPO process time line	
Finalization of basis of allotment	23 rd Feb. 2021
Unblocking of ASBA account	24 th Feb. 2021
Credit to demat accounts	24 th Feb. 2021
Commencement of trading	26 th Feb. 2021

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	100.00%	72.84%
Public	0.00%	27.16%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot	
Number of shares per lot	155
Application money	Rs. 14,570 per Lot

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Peer comparison and valuation (Contd...):

- The company provides a variety of services to the IR like national long distance (NLD) connectivity, data network for integrated payroll & accounting system, unreserved ticketing system, freight operations information system, coaching operations information systems, centralized mailing system, retail broadband network on 'RailWire' platform, e-Office etc. This makes RailTel, a key network for the IR. Business generated from IR increased by 54.4% CAGR over FY18-20, while contributing 25.1% to the total revenue in FY20. Considering IR's ambitious future plans, there is a significant growth opportunities for RailTel.
- As of 31st Jan. 2021, RailTel had 0.3mn users for its 'RailWire' service. As part of operations, the company has entered into arrangements with access network providers to deliver the last mile connectivity services to customers. Monetization of this network would enable RailTel in better managing its cash flows and improve the profitability.
- The company also has experience in providing managed information & communications technology (ICT) services to central and state government agencies. It is being selected as one of the implementing partners for the National Knowledge Network (NKN) project, a national project aimed at connecting higher education and research institutions on a single high speed broadband network. It is also an implementing partner for the Bharat Net project to create optical fiber cable based broadband infrastructure across 36,000 gram panchayats in India. It has undertaken ICT tasks like Kerala-Fiber Optic Network (K-Fon) project and projects for ESIC and MHRD.
- The company has also entered into agreements with telecom companies and multiple system operators (MSO) to lease bandwidth and offer last mile optical fiber cable network connectivity across cities and towns in India.
- RailTel has reported a short but stable financial performance over FY18-20. It reported a 7.5% CAGR rise in top-line to Rs. 11,280.5mn in FY20. Total operating expenditure increased by 5.6% CAGR (a rate lower than top-line growth) over FY18-20, thereby leading to a 12.4% CAGR rise in EBITDA to Rs. 3,338.1mn in FY20. EBITDA margin expanded from 27% in FY18 to 29.6% in FY20. Adjusted PAT increased by 8.9% CAGR over FY18-20. Adjusted PAT margin expanded by 44bps over the period to stood at 16.9% in FY20. The company had a positive operating cash flow over FY18-20, which increased by 105.9% CAGR to Rs. 1,733mn in FY20. Average RoIC and RoE stood at 8.6% and 10.6%, respectively, over FY18-20.
- RailTel is profitable since FY07 and paid dividend since FY08. Average dividend payout stood at around 40% over FY18-20. Networth is positive and consistently growing since incorporation. The company is net debt free and is funding its operations through internal accruals since FY13.
- For H1 FY21, the company has reported a top-line of Rs. 5,374mn with EBITDA and PAT margin of 24.2% and 8.5%, respectively. Based on our quick estimate, top-line is likely to increase by 4% CAGR over FY20-23 to be at Rs. 12,699.7mn in FY23E. EBITDA and PAT margin are forecasted to expand by 178bps and 26bps, respectively, during the period to stand at 31.4% and 17.1% in FY23E as compared to respective margins of 29.6% and 16.9% in FY20.

At the higher price band of Rs. 94 per share, RailTel's share is valued at a FY20 P/E multiple of 15.8x (to its restated EPS of Rs. 5.9). Other railway infrastructure companies (IRCON, RITES and RVNL) are trading at an average P/E of 9.5x. However, considering the futuristic service & growth plans of the IR and RailTel's ability to monetize its existing assets through subscription plans and co-sharing with private operators, we feel that fundamentals are positive for the company. Thus we assign a "**SUBSCRIBE**" rating for the issue.

About the issue:

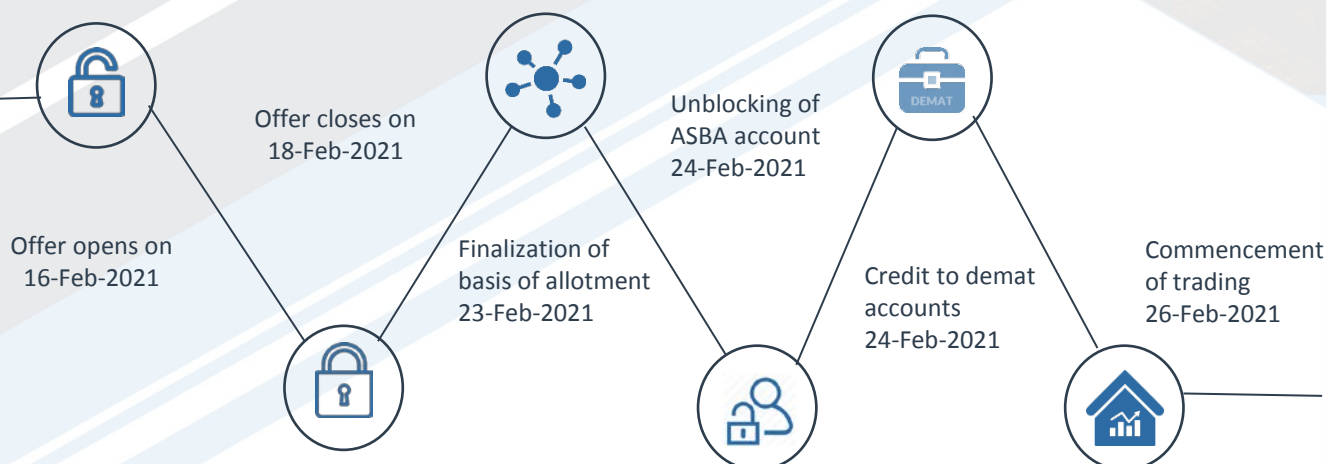
- RailTel is coming up with an initial public offering (IPO) with 87.1534mn shares (fresh issue: nil; OFS shares: 87.1534mn shares) in offering. The offer represents around 27.16% of its post issue paid-up equity shares of the company. Total IPO size is Rs. 8,105.3 - 8,192.4mn.
- The issue will open on 16th Feb. 2021 and close on 18th Feb. 2021.
- The issue is through book building process with a price band of Rs. 93 - 94 per share.
- 0.5mn share are reserved for eligible employees, thus the net issue size is Rs. 8,058.8 - 8,145.4mn.
- The issue comprises of OFS issue only. Thus company will not receive any fund from the IPO.
- 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% stake in the company and post-IPO this will come down to 72.84%. Public holding will increase from current nil to 27.16%.

Pre and post issue shareholding pattern (%)

	Pre Issue	Post Issue (at higher price band)
Promoter & Promoter Group (%)	100.00%	72.84%
Public (%)	0.00%	27.16%

Source: Choice Equity Broking

Indicative IPO process time line:



Company introduction:

RailTel is an ICT infrastructure provider and is one of the largest neutral telecom infrastructure providers in India. It is a Mini Ratna (Category-I) Central Public Sector Enterprise, wholly-owned by the Government of India and under the administrative control of the MoR. The company was incorporated in Sept. 2000, with an aim of modernizing the existing telecom system for train control, operation & safety and to generate additional revenues by creating nationwide broadband & multimedia network by laying optical fiber cable by using the right of way along railway tracks.

As of 31st Jan. 2021, RailTel's optical fiber network covered 59,098 route kilometers and 5,929 railway stations across towns and cities in India. The transport network is built on high capacity dense wavelength division multiplexing technology and an internet protocol/ multi-protocol label switching (MPLS) network over it to support mission critical communication requirements of IR and other customers. The company operates data centers in Gurugram (Haryana) and Secunderabad (Telangana) to host and collocate critical applications for customers including the IR. In addition to its strategic and critical network infrastructure services, RailTel also undertakes various ICT projects for the IR, central government and state governments, including various train control system projects for IR. The company offers a diverse range of services, which includes telecom network services, telecom infrastructure services, managed data center & hosting services and projects (system integration services).

Telecom network services:

National long distance (NLD) services: RailTel provides digital capacity to carry long distance telecommunication services including various tele-services such as voice, data, fax, text, video and multimedia. As part of NLD services, it offers enterprise customers with: (i) leased line services; and (ii) MPLS based virtual private network (VPN) facilities.

Internet service provider services: As part of ISP services, the company offers enterprise customers internet leased line services with multiple bandwidth options ranging from 2MBPS and above across India. It also offers retail broadband services through its 'RailWire' platform.

Telecom infrastructure services

Passive infrastructure (IP-1) services: RailTel provides storage, power, cooling and physical security for servers & networking equipment of its customers and connect them with a variety of telecommunications and network service providers. Additionally, the company provides space on microwave towers for collocating base transceiver stations for telecom operators, small cell sites for extending their mobile coverage and space for collocating mobile switching centers. It also provides single core dark fiber for transmission of digital video signals to MSO for cable distribution.

Managed data center and hosting services

Data center and managed hosting services: The company offers a variety of data center services including infrastructure as a service, dedicated hosting, managed services, cloud computing, managed e-Office services, disaster recovery services, aadhar authentication services and other IT related services such as load balancing services, application hosting, bandwidth services and advanced firewall services.

Telepresence services: RailTel offers end-to-end, high-definition, secure, hosted multitenant video conferencing facility bundled with required bandwidth as a service.

Security operations center as a services: Its security operations center provides centralized and consolidated cyber security incident prevention and security event monitoring services, it has detection response capabilities and supports requirements of other business units. It is able to provide both offsite and onsite security solutions.

Projects (system integration services)

ICT hardware, software and service system integration projects: RailTel collaborates with partners and OEMs to undertake ICT hardware implementation, software delivery and digital transformation projects including creation of state wide area network & its maintenance, data center & facility management services, Wi-Fi projects, city surveillance projects, laying of state wide fiber optic network & its maintenance, implementation and maintenance of end-to-end IT applications of enterprises.

Digital services: The company also collaborates with partners who offer solutions/ applications that are hosted on its data Centers. It offers digital services including unified communications, Wi-Fi as a service, e-tendering/ e-auction/ smart payments and disaster management services.

Other services: Other services offered by RailTel includes consultancy services for ICT services & solutions and signaling services including signal design and design automation software tools for the IR.

Company introduction (Contd...):

RailTel's operations are certified with various certifications including ISO 9001:2015, ISO/IEC 20000-1:2018, ISO/IEC 27001:2013, ISO/IEC-27017:2015, ISO/IEC-27018:2019 and CMMI Maturity Level-4 for its quality management systems, service management systems and information security management systems.

The company has a strategic relationship with the IR and it undertakes a wide variety of projects including provision of mission critical connectivity services such as Video Surveillance System (VSS) at stations and within trains, 'e-Office' services and implementing short haul connectivity between stations and long haul connectivity to support various organizations within the IR. It also undertakes various passenger services including Content on Demand services and Wi-Fi across major railway stations in India.

RailTel with its experience and expertise in handling and undertaking telecom and ICT projects, has led it to be selected for implementation of various mission-mode projects for the GoI including rolling out the NKN, Bharat Net (formerly, the National Optical Fiber Network) and USOF funded optical fiber based connectivity project in North East India.

Competition: RailTel faces competition from various telecom and telecom data services companies in India. It faces significant competition from pan-India telcos like Bharti Airtel Ltd., Reliance Jio Infocomm Ltd., Vodafone Idea Ltd., Bharat Sanchar Nigam Ltd. and Mahanagar Telephone Nigam Ltd.

The key competitive factors in the industry include changing technologies, client preferences and needs and the ability to deliver solutions to meet such evolving needs. Other competitive factors include breadth and depth of service offerings, reputation and track record, ability to tailor enterprise solution service offerings to client needs and industry expertise. RailTel expects the competition to intensify in the operating segments as new entrants emerge in the industry due to available growth opportunities. In addition, as it expands into new market segments, the company will face increased competition from existing operators.

Financial performance:

RailTel has reported a short but stable financial performance over FY18-20. It reported a 7.5% CAGR rise in top-line to Rs. 11,280.5mn in FY20. Business from telecom services, which contributed around 67.7% to the top-line increased by 4.3% CAGR, while business from projects (contributing average 30.9%) increased by 13.8% CAGR during FY18-20. For H1 FY21, top-line stood at Rs. 5,374mn.

Total operating expenditure increased by 5.6% CAGR (a rate lower than top-line growth) over FY18-20, thereby leading to a 12.4% CAGR rise in EBITDA to Rs. 3,338.1mn in FY20. EBITDA margin expanded from 27% in FY18 to 29.6% in FY20. For H1 FY21, the company reported an EBITDA of Rs. 1,300.5mn, with a margin of 24.2%.

With rise in business, depreciation charge increased by 5% CAGR, while finance cost increased by 33.6% CAGR during FY18-20. Other income declined by 5.9% CAGR. During the period, the company has reported an exceptional loss of Rs. 265.1mn and Rs. 493mn in FY18 and FY20, respectively. Consequently, reported PAT increased by just 2.6% CAGR to be at Rs. 1,410.7mn in FY20. Adjusted PAT (excluding exceptional charges) increased by 8.9% CAGR over FY18-20. Adjusted PAT margin expanded by 44bps over the period to stood at 16.9% in FY20. In H1 FY21, the company reported a PAT of Rs. 455.8mn with a margin of 8.5%.

The company had a positive operating cash flow over FY18-20, which increased by 105.9% CAGR to Rs. 1,733mn in FY20. Average gross operating cash flow during the period was at around Rs. 831.9mn. Average RoIC and RoE stood at 8.6% and 10.6%, respectively, over FY18-20.

RailTel is profitable since FY07 and paid dividend since FY08. Average dividend payout stood at around 40% over FY18-20. Networth is positive and consistently growing since incorporation. The company is net debt free and is funding its operations with internal accruals since FY13.

Financial snapshot (Rs. mn)	FY18	FY19	FY20	H1 FY21	CAGR (%)	Y-o-Y (% Annual)
Income from telecom services	6,849.8	6,714.6	7,447.5	4,015.7	4.3%	10.9%
Income from projects	2,912.2	2,968.5	3,771.6	1,336.3	13.8%	27.1%
Revenue from operations	9,767.8	10,032.7	11,280.5	5,374.0	7.5%	12.4%
EBITDA	2,641.2	3,021.6	3,338.1	1,300.5	12.4%	10.5%
Reported PAT	1,340.1	1,353.6	1,410.7	455.8	2.6%	4.2%
Adjusted PAT	1,605.2	1,353.6	1,903.6	455.8	8.9%	40.6%
Restated reported EPS	5.0	4.2	5.9	1.4	8.9%	40.6%
Cash flow from operating activities	408.8	353.9	1,733.0	207.9	105.9%	389.7%
NOPLAT	730.9	1,397.4	1,414.3	262.6	39.1%	1.2%
FCF		2,793.4	2,715.0			-2.8%
RoIC (%)	5.0%	10.0%	10.9%	1.8%	599 bps	97 bps
Revenue growth rate (%)		2.7%	12.4%			
EBITDA growth rate (%)		14.4%	10.5%			
EBITDA margin (%)	27.0%	30.1%	29.6%	24.2%	255 bps	(53) bps
Restated adjusted PAT growth rate (%)		-15.7%	40.6%			
Restated adjusted PAT margin (%)	16.4%	13.5%	16.9%	8.5%	44 bps	338 bps
Inventory days	0.0	0.3	0.2	0.1		-30.6%
Debtor days	174.4	168.5	156.4	219.9	-5.3%	-7.2%
Payable days	(101.3)	(97.8)	(104.5)	(136.6)	1.6%	6.8%
Cash conversion cycle	73.1	71.0	52.2	83.4	-15.6%	-26.5%
Fixed asset turnover ratio (x)	0.9	0.9	1.1	0.5	8.0%	17.6%
Total asset turnover ratio (x)	0.4	0.5	0.5	0.2	5.8%	4.4%
Current ratio (x)	1.6	1.4	1.3	1.5	-9.4%	-7.5%
Debt to equity (x)	0.1	0.1	0.2	0.1	12.9%	30.2%
Net debt to EBITDA (x)	(1.3)	(0.8)	(0.1)	(1.3)	-71.4%	-86.4%
RoE (%)	10.9%	10.5%	10.3%	3.3%	(60) bps	(20) bps
RoA (%)	6.9%	6.1%	7.9%	1.8%	103 bps	186 bps
RoCE (%)	9.2%	13.3%	13.2%	3.1%	404 bps	(3) bps

Source: Choice Equity Broking



Competitive strengths:

- Among the largest neutral telecom infrastructure providers in India with pan-India optic fiber network
- Diversified portfolio of services and solutions
- Key partner to the Indian Railways in digital transformation
- Experience in executing projects of national importance with a robust pipeline of projects
- Strong track record of financial performance
- Professionally managed with strong corporate governance and senior management team with significant industry experience

Business strategy:

- Continue to expand telecom services and deploy latest technologies
- Further diversify services and solutions with a focus on Indian Railways
- Expand services outside India



Risk and concerns:

- Unfavorable government policies and regulations
- Lower spending from the central and state governments
- Difficulty in monetizing assets
- Competition from the private operators

Financial statements:

Profit and loss statement (Rs. mn)

	FY18	FY19	FY20	H1 FY21	CAGR over FY18 - 20 (%)	FY20 growth over FY19 (%)
Revenue from operations	9,767.8	10,032.7	11,280.5	5,374.0	7.5%	12.4%
Access and other charges	(2,500.9)	(2,635.2)	(2,490.3)	(1,490.6)	-0.2%	-5.5%
License fee and spectrum charges	(473.4)	(459.9)	(479.3)	(263.5)	0.6%	4.2%
Expenses on project	(2,533.2)	(2,494.1)	(3,400.8)	(1,107.6)	15.9%	36.4%
Employee benefits expenses	(1,179.9)	(1,120.2)	(1,205.3)	(668.9)	1.1%	7.6%
Administrative & other expenses	(431.6)	(271.4)	(314.8)	(503.8)	-14.6%	16.0%
Corporate social responsibility	(7.6)	(30.3)	(51.9)	(39.1)	162.2%	71.3%
EBITDA	2,641.2	3,021.6	3,338.1	1,300.5	12.4%	10.5%
Depreciation and amortization	(1,186.3)	(1,115.8)	(1,309.0)	(817.4)	5.0%	17.3%
EBIT	1,454.9	1,905.8	2,029.1	483.1	18.1%	6.5%
Finance expenses	(38.1)	(78.9)	(68.0)	(25.1)	33.6%	-13.8%
Finance income	15.4	(2.0)	(0.4)	7.6		-80.4%
Other income	429.0	352.0	379.9	156.2	-5.9%	7.9%
Exceptional items	(265.1)		(493.0)		36.4%	
PBT	1,596.1	2,176.9	1,847.6	621.8	7.6%	-15.1%
Tax expenses	(256.1)	(823.3)	(436.9)	(166.0)	30.6%	-46.9%
Reported PAT	1,340.1	1,353.6	1,410.7	455.8	2.6%	4.2%
Adjusted PAT	1,605.2	1,353.6	1,903.6	455.8	8.9%	40.6%

Balance sheet statement (Rs. mn)

	FY18	FY19	FY20	H1 FY21	CAGR over FY18 - 20 (%)	FY20 growth over FY19 (%)
Equity share capital	3,209.4	3,209.4	3,209.4	3,209.4	0.0%	0.0%
Other equity	9,082.4	9,681.5	10,484.2	10,736.9	7.4%	8.3%
Non current lease liabilities		41.2	348.0	179.9		745.1%
Non current financial liabilities	904.8	91.8	74.0	114.7		
Long term provisions	18.5	46.9	99.0	103.8	131.1%	110.8%
Non current net deferred tax liabilities		169.4	35.4			
Other non current liabilities	2,602.5	1,121.0	1,078.3	1,399.6		
Current lease liabilities		13.6	77.4	62.6		
Other current financial liabilities	734.9	1,534.9	1,827.1	1,681.3		19.0%
Trade payables	2,709.6	2,667.6	3,788.8	4,079.4	18.2%	42.0%
Short term provisions	383.5	367.1	200.9	136.8	-27.6%	-45.3%
Other current liabilities	3,583.1	3,332.2	2,758.7	3,117.1	-12.3%	-17.2%
Total liabilities	23,228.8	22,276.8	23,981.0	24,821.5	1.6%	7.7%
Property, plant and equipment	6,843.5	7,859.8	6,085.3	5,817.1	-5.7%	-22.6%
Capital work-in-progress	3,641.6	2,999.0	2,525.5	2,315.3	-16.7%	-15.8%
Right-of-use assets			1,729.6	1,675.1		
Intangible assets	36.4	39.6	78.4	147.0	46.7%	98.1%
Non current loans and security deposits	37.7	34.7	33.2	41.4	-6.2%	-4.3%
Other non current financial assets		6.5	2,193.0	826.9		33483.5%
Non current net deferred tax assets	40.1			82.5	-100.0%	
Other non current assets	988.6	310.0	180.6	29.1	-57.3%	-41.7%
Inventories		8.7	4.9	1.5		-43.9%
Current investments		70.5				-100.0%
Trade receivables	4,666.8	4,595.7	5,070.7	6,565.2	4.2%	10.3%
Cash and cash balances	5,092.2	4,069.3	2,684.3	3,689.4	-27.4%	-34.0%
Current loans and security deposits	25.2	43.2	48.7	53.7	39.0%	12.8%
Other current financial assets	1,121.8	1,178.8	2,135.4	2,169.4	38.0%	81.2%
Current net tax assets	220.9	327.3	274.8	366.1	11.5%	-16.0%
Other current assets	513.8	733.8	936.7	1,041.8	35.0%	27.6%
Total assets	23,228.8	22,276.8	23,981.0	24,821.5	1.6%	7.7%

Source: Choice Equity Broking

Financial statements:

Cash flow statement (Rs. mn)

Particulars (Rs. mn)	FY18	FY19	FY20	H1 FY21	CAGR over FY18 - 20 (%)	FY20 growth over FY19 (%)
Cash flow before working capital changes	2,200.4	2,231.1	3,056.9	1,479.1	17.9%	37.0%
Working capital changes	(1,287.1)	(1,263.4)	(941.2)	(891.2)	-14.5%	-25.5%
Cash flow from operating activities	408.8	353.9	1,733.0	207.9	105.9%	389.7%
Purchase of property, plant & equipment	(1,172.2)	(837.5)	(617.4)	(345.1)	-27.4%	-26.3%
Cash flow from investing activities	15.4	406.5	(479.5)	(557.1)		-218.0%
Cash flow from financing activities	(620.2)	(772.4)	(624.6)	(251.3)	0.4%	-19.1%
Net cash flow	(196.0)	(12.0)	628.9	(600.5)		-5336.2%
Opening balance of cash and bank balances	924.3	728.3	716.4	1,345.2	-12.0%	-1.6%
Closing balance of cash and bank balances	728.3	716.3	1,345.2	744.7	35.9%	87.8%

Financial ratios

Particulars (Rs. mn)	FY18	FY19	FY20	H1 FY21
Revenue growth rate (%)		2.7%	12.4%	
EBITDA growth rate (%)		14.4%	10.5%	
EBITDA margin (%)	27.0%	30.1%	29.6%	24.2%
EBIT growth rate (%)		31.0%	6.5%	
EBIT margin (%)	14.9%	19.0%	18.0%	9.0%
Restated adjusted PAT growth rate (%)		-15.7%	40.6%	
Restated adjusted PAT margin (%)	16.4%	13.5%	16.9%	8.5%

Liquidity ratios

Current ratio (x)	1.6	1.4	1.3	1.5
Debt to equity (x)	0.1	0.1	0.2	0.1
Net debt to EBITDA (x)	(1.3)	(0.8)	(0.1)	(1.3)

Turnover ratios

Inventories turnover ratio (x)				
Trade receivable turnover ratio (x)	2.1	2.2	2.3	0.8
Accounts payable turnover ratio (x)	3.6	3.7	3.5	1.3
Fixed asset turnover ratio (x)	0.9	0.9	1.1	0.5
Total asset turnover ratio (x)	0.4	0.5	0.5	0.2

Return ratios

RoE (%)	10.9%	10.5%	10.3%	3.3%
RoA (%)	6.9%	6.1%	7.9%	1.8%
RoCE (%)	9.2%	13.3%	13.2%	3.1%

Per share data

Restated adjusted EPS (Rs.)	5.0	4.2	5.9	1.4
Restated DPS (Rs.)	1.9	2.0	2.1	
Restated BVPS (Rs.)	38.3	40.2	42.7	43.5
Restated operating cash flow per share (Rs.)	1.3	1.1	5.4	0.6
Restated free cash flow per share (Rs.)		8.7	8.5	
Dividend payout ratio	38.9%	47.4%	35.8%	0.0%

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

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