

IPO Report

Choice

**“Subscribe with Caution” to
Saraswati Saree Depot Ltd.**

Fragmented industry with low margins.



Salient features of the IPO:

- **Saraswati Saree Depot Ltd.** (SSDL), is a key player in sarees wholesales (B2B) segment and also in women’s apparel wear, is coming up with an IPO to raise around Rs. 152.0 - 160.cr, which opens on 12th Aug. and closes on 14th Aug. 2024. The price band is Rs. 152 - 160 per share.
- The IPO is a combination of fresh issue (Rs. 99 - 104cr) and OFS portion (of Rs. 53.2 - 56.0). The company will not receive any proceeds from the OFS portion. From the fresh issue net proceeds, the company will be utilizing Rs. 81.0cr for funding working capital requirements of its company. Residual proceeds will be used for general corporate purposes.
- Few of the promoter & promoter group (P&PG) entities are participating in the OFS and offloading 0.350cr shares. Consequently, post-IPO, the P&PG and public shareholders will have 74.75% and 25.25% stake in the company, respectively.

Key competitive strengths:

- Diversified supplier and customer base
- Diverse product portfolio
- Bulk buying capabilities
- Experienced Promoters and management team
- Existing client and supplier relationships
- Collaborative and experienced work force

Risk and concerns:

- The business is heavily focused on women's sarees, making it susceptible to demand fluctuations
- A significant portion of its sales comes from the western zone, so any negative developments there could impact its business
- Operate in a highly competitive and fragmented industry dominated by numerous unorganized players
- Business is influenced by seasonal fluctuations
- Highly working capital intensive

Below are the key highlights of the company:

- The market for women’s ethnic wear, currently valued at approximately Rs. 1.3 trillion for FY24, is growing due to increased demand for sarees and other ethnic products like salwar suits and kurtis. This market is expected to reach around Rs. 2 trillion by FY29, with a CAGR of about 8-9% from FY2024 to 2029. Sarees make up a significant portion of this market, representing roughly 38% currently. However, their share is projected to decrease to 32-35% over the same period, as consumers shift towards more casual ethnic wear such as kurtis and salwar suits.
- The saree, an ethnic garment from India, is a popular choice for both casual and celebratory occasions. Recent growth in the saree market has been driven by increased demand for wedding and festive wear. Consumers are increasingly seeking high-quality and premium sarees, which is expected to boost market growth. The entry of organised and branded players is also likely to contribute to this expansion. The saree industry grew by an estimated 5% in FY2024, reaching approximately Rs. 515 billion. It is projected to grow at a CAGR of 5-6% from FY2024 to FY2029, potentially reaching Rs. 650-675 billion by FY2029.
- In India, a large part of the saree market is still unorganised, with organised retailers making up 25-30% of the market. However, the organised segment is growing faster. This is due to improved customer service, dependable fabric quality, consistent pricing, strong brands, and ongoing expansion. The organised saree market is projected to grow at an annual rate of 9-10% from FY2024 to FY2029 and is expected to represent around 32-37% of the total market by then.

Issue details

Price band	Rs. 152 - 160 per share
Face value	Rs. 10
Shares for fresh issue	0.650cr shares
Shares for OFS	0.350cr shares
Fresh issue size	Rs. 99 - 104cr
OFS issue size	Rs. 53.2 - 56.0cr
Total issue size	1.0cr shares (Rs. 152.0 - 160.0cr)
Bidding date	12 th Aug. - 14 th Aug. 2024
Implied MCAP at higher price band	Rs. 633.6cr
Implied enterprise value at higher price band	Rs. 564cr

Book running lead manager Unistone Capital Pvt. Ltd.

Registrar Bigshare Services Pvt. Ltd.

Sector Wholesale Sarees

Promoters Mahesh Dulhani, Rajesh Dulhani, Shankar Dulhani and Vinod Dulhani

Category	Percent of issue (%)	Number of shares
QIB portion	50%	0.500cr shares
Non institutional portion (Big)	10%	0.100cr shares
Non institutional portion (Small)	5%	0.050cr shares
Retail portion	35%	0.350cr shares

Indicative IPO process time line

Finalization of basis of allotment	16 th Aug. 2024
Unblocking of ASBA account	19 th Aug. 2024
Credit to demat accounts	19 th Aug. 2024
Commencement of trading	20 th Aug. 2024

Pre and post - issue shareholding pattern

	Pre-issue	Post-issue
Promoter & promoter group	100.00%	74.75%
Public	0.00%	25.25%
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	90
Application money	Rs. 14,400 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 (%)
Saraswati Saree Depot Ltd.	10	160	634	564	-	-	611	40	30	12.6%	6.6%	4.8%
Sai Silks (Kalamandir) Ltd	2	154	2,370	2,432	-30.7%	-	1,374	212	101	40.7%	15.4%	7.4%
Go Fashion (India) Ltd	10	1,118	6,038	6,315	5.1%	-11.3%	763	246	83	61.7%	32.2%	10.9%
Average										51.2%	23.8%	9.1%

Company name	3Y top-line growth (CAGR)	3Y EBITDA growth (CAGR)	3Y PAT growth (CAGR)	Average 3Y EBITDA margin	Average 3Y PAT margin	3Y average RoE	3Y average RoCE	Avg 3Y Receivable Days	Avg 3Y Inventory Days	Avg 3Y Payable Days	Net Worth
Saraswati Saree Depot Ltd.	5.4%	39.3%	54.9%	5.4%	3.6%	69.9%	105.8%	43	57	60	169
Sai Silks (Kalamandir) Ltd	10.3%	23.9%	32.0%	14.6%	6.6%	19.2%	19.6%	1	178	81	1,062
Go Fashion (India) Ltd	37.9%	40.8%	51.8%	31.8%	10.8%	13.9%	20.5%	39	106	46	604
Average	24.1%	32.4%	41.9%	23.2%	8.7%	16.6%	20.0%	20	142	63	

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
Saraswati Saree Depot Ltd.	44	114	17.5%	60.8%	21.5	3.8	0.9	13.9	1.0	7.5	43	0.26
Sai Silks (Kalamandir) Ltd	464	402	9.5%	10.8%	23.4	2.2	1.8	11.5	1.7	6.6	69	0.44
Go Fashion (India) Ltd	469	192	13.7%	12.3%	72.7	10.0	8.3	25.7	7.9	15.4	112	0.78
Average			11.6%	11.5%	48.1	6.1	5.0	18.6	4.8			0.61

Note: Considered financials for the period during FY22-24 (with IPO adjustments); Source: Choice Broking Research

- SSDL is a leading company in the wholesale saree market (B2B) as noted by the CRISIL Report. The company's involvement in the saree industry began in 1966. To ensure the business's continuity, SSDL was officially incorporated on March 18, 2021. Since its incorporation, the company has continued to operate with the same core values and management team. In addition to sarees, SSDL also wholesales a variety of women's apparel, including kurtis, dress materials, blouse pieces, lehengas, and bottoms.
- SSDL's sarees are sourced from a variety of manufacturers across India. The company has built strong, long-term relationships with suppliers in key regions such as Surat, Varanasi, Mau, Madurai, Dharmavaram, Kolkata, and Bengaluru. SSDL regularly obtains sarees and other women's apparel from over 900 weavers and suppliers throughout the country. In fiscal years 2024, 2023, and 2022, purchases from the top 10 suppliers accounted for 25.68%, 22.89%, and 26.81% of the company's total purchases, respectively.
- SSDL primarily operates in the southern and western regions of India, focusing on Maharashtra, Goa, Karnataka, and Tamil Nadu. In fiscal 2024, the company served over 13,000 unique customers. Its product catalog features more than 300,000 SKUs, including a wide variety of items such as sarees, kurtis, dress materials, blouse pieces, lehengas, and bottoms, etc. This extensive range helps SSDL reduce reliance on any single product category and offers a competitive edge through its broad selection. In fiscal years 2024, 2023, and 2022, revenue from the top 10 customers accounted for 7.85%, 8.91%, and 7.90% of total revenues, respectively, indicating a well-diversified customer base.
- Shankar Dulhani, the Promoter, Chairperson, and Executive Director of SSDL, has been with the company since its inception. With over 38 years of industry experience, he possesses a comprehensive understanding of all aspects of this business, from manufacturing to marketing and business development. Vinod Dulhani, the Promoter, Managing Director, and Chief Executive Officer, has also been with the company since incorporation. He brings over 27 years of experience in the wholesale saree industry, having significantly contributed to product development, business development, operations, and administration.
- In 2002, Saraswati Sadi Depot launched its first "Utsav" event before Diwali, bringing together customers from various regions. The event features an exclusive collection of products and special offers for loyal customers. Due to its consistent success, Utsav has become an annual highlight for the company. It typically generates 13-15% of the annual revenue and is held each September or October, aligning with the festive and wedding season. During Utsav, the management team personally invites customers, offering the year's biggest discounts. The event leads to the highest customer visits, sales, and volumes, contributing 13.83% to its sales for FY2022-23.
- The company operates two stores in Maharashtra, located in Kolhapur and Ulhasnagar. The Kolhapur store, which covers approximately 169,120 sq. ft., is the primary location and generates the majority of the company's revenue. In FY22, this store contributed Rs. 474.2cr, accounting for 86.28% of total revenue. In FY23, it generated Rs. 525.5cr, representing 87.31%, and in FY24, it generated Rs. 539.5cr, representing 88.32% of the revenue. The Ulhasnagar store, with an area of around 16,001 sq. ft., contributes a smaller share of the revenue. In FY22, it accounted for Rs. 75.4cr, which is 13.72% of the total revenue. This contribution slightly decreased in FY23 to Rs. 76.3cr, or 12.69%, and further declined in FY24 to Rs. 71.3cr, representing 11.68% of the total revenue.

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

- In wholesale, effective inventory management is crucial to the business. Maintaining the right mix and quantity of products directly influences sales and profitability. SSDL's approach involves a continuous process of reviewing, replenishing, and innovating its inventory to keep the selection fresh and attractive. This helps prevent product monotony and keeps customers engaged. Recognizing that customer preferences and trends change frequently, SSDL regularly updates its inventory to match current market demands. This strategy is key to strengthening their inventory management practices.
- SSDL plans to enter the men's ethnic wear market, building on its existing customer base to expand into this new segment. This move is driven by trends such as the growing popularity of multi-day weddings, increased acceptance of traditional outfits during festivals, and the rise of organized brands in a previously unorganized sector. Currently, ethnic wear makes up about 7% of the men's wear market, which is expected to grow to Rs. 3.8 - 3.9 trillion by FY29, with a projected annual growth rate of 10-11% between FY24 and FY29 (Source: CRISIL Report). By entering this space, SSDL aims to capitalize on these trends and strengthen its market position.
- Sarees are the largest revenue contributor for the company. In FY22, sarees generated Rs. 500.1cr, making up 91% of total revenue. This increased to Rs. 553.3cr (91.94%) in FY23 and Rs. 555.0cr (90.85%) in FY24. Kurtis also contribute significantly, with revenue of Rs. 26.4cr (4.81%) in FY22, Rs. 24.1cr (4%) in FY23, and Rs. 32.1cr (5.26%) in FY24. Blouse pieces generated Rs. 7.2cr (1.32%) in FY22, Rs. 8.1cr (1.35%) in FY23, and Rs. 9.3cr (1.54%) in FY24. Pant and shirt pieces contributed Rs. 6.0cr (1.11%) in FY22, Rs. 6.7cr (1.12%) in FY23, and Rs. 6.8cr (1.12%) in FY24. Other products accounted for Rs. 9.7cr (1.77%) in FY22, Rs. 9.5cr (1.58%) in FY23, and Rs. 7.4cr (1.23%) in FY24.

Peer comparison and valuation: SSDL has been a significant player in the B2B sarees wholesale market since 1966 and has expanded into the wholesale business of other women's apparel as well. The company has consistently achieved sustainable growth in both revenue and profit. One of their successful strategies includes hosting "Utsav" events, where they showcase exclusive product collections and offer special offers. These events have contributed around 13-15% to annual sales.

At the higher price band, SSDL is asking for a P/E multiple of 21.5x (to its FY24 EPS of Rs. 7.5), this valuation appears to be discounted compared to the industry average. The company is planning to diversify by entering the men's ethnic wear segment, aiming to increase revenue and expand its market presence. However, the saree wholesale industry, where the company currently operates, is highly competitive and fragmented. This sector typically operates on low margins and is also subject to seasonal fluctuations. Given these challenges, we recommend a **"Subscribe with Caution"** rating for this issue.

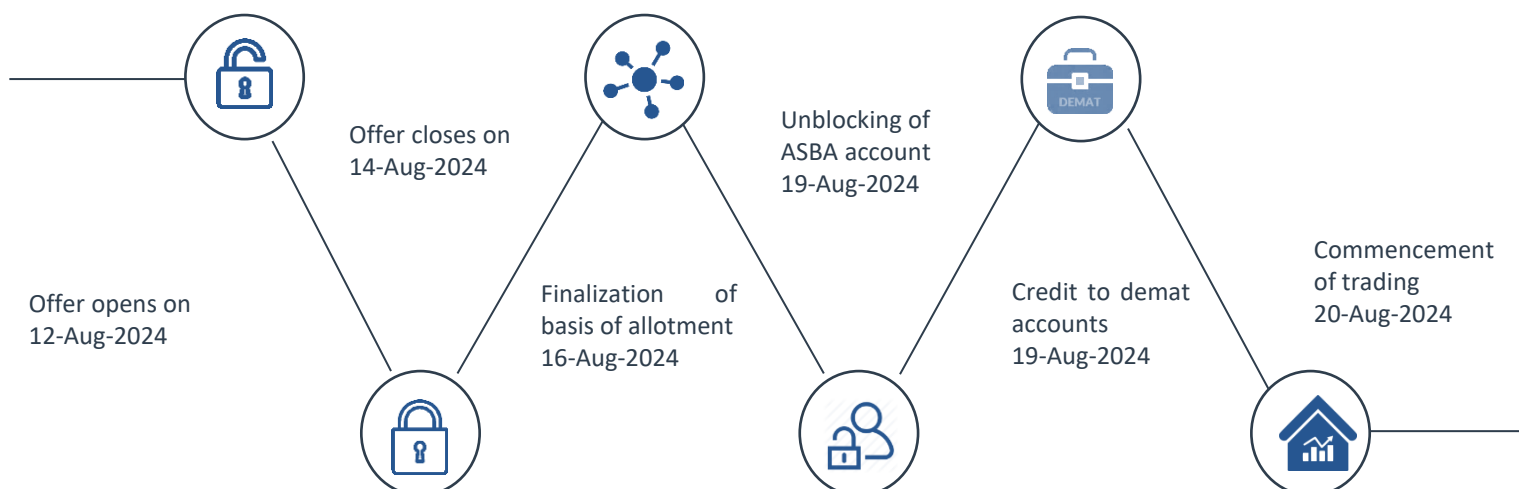
About the issue:

- SSDL is coming up with an IPO with 1.0cr shares (fresh issue: 0.650cr shares; OFS shares: 0.350) in offering. This offer represents 25.25% of the post-issue paid-up equity shares of the company. Total IPO size is Rs. 152.0 - 160.0cr.
- The issue is through book building process with a price band of Rs. 152 - 160 per share.
- Lot size comprises of 90 equity shares and in-multiple of 90 shares thereafter.
- The issue will open on 12th Aug. 2024 and close on 14th Aug. 2024.
- The IPO is a combination of fresh issue (Rs. 99 - 104cr) and OFS portion (of Rs. 53.2 - 56.0). The company will not receive any proceeds from the OFS portion. From the fresh issue net proceeds, the company will be utilizing Rs. 81.0cr for funding working capital requirements of its company. Residual proceeds will be used for general corporate purposes.
- Few of the promoter & promoter group (P&PG) entities are participating in the OFS and offloading 0.350cr shares. Consequently, post-IPO, the P&PG and public shareholders will have 74.75% and 25.25% 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	100.00%	74.75%
Public	0.00%	25.25%
Non-promoter & Non-public	0.00%	0.00%

Source: Choice Equity Broking

Indicative IPO process time line:



Pre-issue financial performance:

Performance over FY22-24: During FY22-24, SDDL achieved decent business growth driven by substantial increase in units sold during this period. Profitability remained consistent throughout this period.

The company achieved decent growth, with a 5.4% CAGR in total operating revenue, reaching Rs. 610.9cr in FY24. This growth was mainly due to an increase in the number of units sold, rising from 1.48cr units in FY22 to 1.61cr units in FY24, which represents a CAGR of 4.3% over the same period.

The company experienced a decline of 2.1% CAGR in purchase of stock-in-trade, contributing to an expansion of the gross profit margin by 301 bps to 12.6%. Lower employee and other expenses resulted in a more modest increase of 282 bps in the EBITDA margin to 6.6%. In absolute terms, consolidated EBITDA grew at a CAGR of 39.3%, reaching Rs. 40.4cr in FY24.

During this period, the company benefited from lower finance costs and increased other income. These factors, along with other operational improvements, led to an expansion of the PAT margin by 259bps, reaching 4.8% in FY24. Additionally, reported PAT grew at a CAGR of 54.9%, reaching Rs. 29.5cr.

SDDL has consistently reduced its borrowing over time, resulting in a significant drop in financial liabilities, which have decreased at an annual rate of -20.3%. This reduction in debt has greatly improved the company's debt-to-equity ratio, which fell from 5.6x in FY22 to 0.7x in FY24. Pre-issue RoIC and RoE stood at 48.6% and 45.5%, respectively, in FY24.

Pre-issue financial snapshot (Rs. cr)	FY22	FY23	FY24	CAGR over FY22-24	Y-o-Y (FY24 annual)
Sarees	500.1	553.4	555.0	5.3%	0.3%
Kurtis	26.4	24.1	32.2	10.4%	33.4%
Blouse pieces	7.2	8.1	9.4	14.0%	15.5%
Pant & Shirt Pieces	6.1	6.8	6.8	6.1%	1.3%
Others	9.7	9.5	7.5	-12.2%	-21.4%
Revenue from operations	549.6	601.9	610.9	5.4%	1.5%
Gross Profit	52.5	71.0	76.8	20.9%	8.2%
EBITDA	20.8	34.1	40.4	39.3%	18.7%
Reported PAT	12.3	23.0	29.5	54.9%	28.5%
Restated adjusted EPS	3.1	5.8	7.5	54.9%	28.5%
Cash flow from operating activities	(41.2)	35.2	(8.5)	-54.5%	-124.3%
NOPLAT	15.1	24.6	29.4	39.5%	19.5%
FCF		5.4	0.6		
RoIC (%)	121.9%	77.7%	48.6%	(7,323) bps	(2,911) bps
Revenue growth rate		9.5%	1.5%		
Gross profit growth rate		35.2%	8.2%		
Gross profit margin	9.6%	11.8%	12.6%	301 bps	77 bps
EBITDA growth rate		63.4%	18.7%		
EBITDA margin	3.8%	5.7%	6.6%	282 bps	96 bps
Restated PAT growth rate		86.6%	28.5%		
Restated PAT margin	2.2%	3.8%	4.8%	259 bps	101 bps
Inventories days	50	51	60	9.1%	17.2%
Trade receivables days	46	41	42	-4.1%	3.1%
Trade payables days	(59)	(60)	(61)	1.8%	1.8%
Cash conversion cycle	37	32	41	4.9%	27.8%
Fixed asset turnover ratio	172.2	196.0	200.8	8.0%	2.4%
Total asset turnover ratio	3.2	3.2	3.0	-4.2%	-6.9%
Current ratio	1.1	1.2	1.4	15.3%	18.6%
Quick ratio	0.6	0.6	0.6	5.6%	10.7%
Total debt	69.1	43.9	43.9	-20.3%	0.2%
Net debt	51.9	24.8	34.1	-19.0%	37.3%
Debt to equity	5.6	1.2	0.7	-65.1%	-45.4%
Net debt to EBITDA	2.5	0.7	0.8	-41.8%	15.6%
RoE	99.2%	64.9%	45.5%		(1,944) bps
RoA	7.2%	12.2%	14.3%	709 bps	217 bps
RoCE	163.2%	93.4%	60.8%		(3,267) bps

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



Competitive strengths:

- Diversified supplier and customer base
- Diverse product portfolio
- Bulk buying capabilities
- Experienced Promoters and management team
- Existing client and supplier relationships
- Collaborative and experienced work force

Business strategy:

- Strengthening Inventory Management Practices
- Entering into men's ethnic wear segment
- Leverage technology to bring cost efficiency and enhance customer experience
- Capitalize on the increasing e-commerce for penetration in retail and wholesale category



Risk and concerns:

- The business is heavily focused on women's sarees, making it susceptible to demand fluctuations
- A significant portion of its sales comes from the western zone, so any negative developments there could impact its business
- Operate in a highly competitive and fragmented industry dominated by numerous unorganized players
- Business is influenced by seasonal fluctuations
- Highly working capital intensive

Financial statements:

Profit and loss statement (Rs. cr)					
	FY22	FY23	FY24	CAGR over FY22-24	Annual growth over FY23
Revenue from operations	549.6	601.9	610.9	5.4%	1.5%
Purchase of stock-in-trade	(572.8)	(547.9)	(549.0)	-2.1%	0.2%
Cost of materials consumed	0.0	0.0	0.0	0.0%	0.0%
Change in inventories of finished goods, work-in-progress and stock-in Trade	75.8	17.1	14.9	-55.7%	-12.6%
Gross profit	52.5	71.0	76.8	20.9%	8.2%
Employee benefits expenses	(9.7)	(9.9)	(9.8)	0.5%	-1.7%
Other expenses	(22.0)	(27.0)	(26.6)	10.0%	-1.5%
EBITDA	20.8	34.1	40.4	39.3%	18.7%
Depreciation and amortization expenses	(0.6)	(1.0)	(1.0)	27.9%	-1.6%
EBIT	20.2	33.1	39.4	39.6%	19.3%
Finance costs	(4.5)	(3.8)	(2.5)	-25.9%	-35.3%
Other income	0.7	1.6	1.7	51.3%	3.0%
PBT & Share of associates	16.5	30.9	38.7	53.1%	25.2%
Income from associates	0.0	0.0	0.7	0.0%	0.0%
PBT	16.5	30.9	39.4	54.5%	27.5%
Tax expenses	(4.2)	(7.9)	(9.8)	53.4%	24.6%
Reported PAT	12.3	23.0	29.5	54.9%	28.5%

Balance sheet statement (Rs. cr)					
	FY22	FY23	FY24	CAGR over FY22-24	Annual growth over FY23
Equity share capital	0.1	0.1	33.1	1719.3%	33000.0%
Other equity	12.3	35.3	31.8	60.8%	-9.8%
Amount received for equity allotment	0.0	0.0	0.0		
Non-current borrowings	0.0	0.0	0.0		
Non-current lease liabilities	0.0	0.0	0.0		
Other financial liabilities	0.0	0.0	0.0		
Provision	0.0	0.0	0.0		
Trade payables	88.2	108.5	94.8	3.7%	-12.6%
Current borrowings	66.6	41.4	43.5	-19.2%	5.0%
Current lease liabilities	0.0	0.0	0.0		
Other current financial liabilities	2.5	2.4	0.4	-58.1%	-81.8%
Other current liabilities	0.0	0.0	0.0		
Current Provision	0.1	0.8	1.3	219.2%	61.7%
Current Tax Liabilities (net)	0.0	0.3	1.0	340.8%	196.6%
Total liabilities	169.9	188.9	205.9	10.1%	9.0%

Property, plant & equipments	3.0	2.8	2.8	-2.6%	0.5%
Intangible Assets	0.2	0.3	0.2	0.9%	-15.8%
Investments	0.0	3.5	4.2	0.0%	20.5%
Loans	0.0	0.0	0.0		
Others	0.0	0.2	0.0	41.4%	-95.7%
Deferred tax assets	0.0	0.0	0.2		
Other non-current assets	0.0	0.0	0.0		
Inventories	75.8	92.8	107.7	19.2%	16.1%
Trade receivable	68.8	65.6	75.1	4.5%	14.4%
Cash and cash equivalent	17.2	19.0	9.9	-24.3%	-48.2%
Loans	0.0	0.0	0.0		
Others	0.4	0.1	0.3	-20.9%	110.0%
Current tax assets (net)	0.0	0.0	0.0		
Other current assets	4.5	4.4	5.5	10.3%	24.4%
Total assets	169.9	188.9	205.9	10.1%	9.0%

Source: Choice Equity Broking

Financial statements (Contd...):

Cash flow statement (Rs. cr)					
	FY22	FY23	FY24	CAGR over FY22-24	Annual growth over FY23
Cash flow before working capital changes	21.6	35.7	42.1	39.7%	18.0%
Working capital changes	(58.6)	7.4	(40.6)	-16.8%	-647.6%
Cash flow from operating activities	(37.0)	43.1	1.5		-96.5%
Purchase of fixed assets and CWIP	(3.8)	(0.9)	(1.0)	-49.9%	9.1%
Cash flow from investing activities	(3.8)	(4.4)	(0.2)	-75.1%	-94.6%
Cash flow from financing activities	62.1	(29.0)	(0.4)		-98.6%
Net cash flow	17.1	1.8	(9.2)		-605.3%
Cash and cash equivalent at the beginning of the year	0.1	17.2	19.0	1280.2%	10.5%
Cash and cash equivalent at the end of the year	17.2	19.0	9.9	-24.3%	-48.2%

Financial ratios			
Particulars	FY22	FY23	FY24
Profitability ratios			
Revenue growth rate		9.5%	1.5%
Gross profit growth rate		35.2%	8.2%
Gross profit margin	9.6%	11.8%	12.6%
EBITDA growth rate		63.4%	18.7%
EBITDA margin	3.8%	5.7%	6.6%
EBIT growth rate		63.3%	19.3%
EBIT margin	3.7%	5.5%	6.5%
Restated PAT growth rate		86.6%	28.5%
Restated PAT margin	2.2%	3.8%	4.8%
Turnover ratios			
Inventory turnover ratio	7.3	7.1	6.1
Trade receivable turnover ratio	8.0	9.0	8.7
Accounts payable turnover ratio	6.2	6.1	6.0
Fixed asset turnover ratio	172.2	196.0	200.8
Total asset turnover ratio	3.2	3.2	3.0
Liquidity ratios			
Current ratio	1.1	1.2	1.4
Quick ratio	0.6	0.6	0.6
Total debt	69.1	43.9	43.9
Net debt	51.9	24.8	34.1
Debt to equity	5.6	1.2	0.7
Net debt to EBITDA	2.5	0.7	0.8
Cash flow ratios			
CFO to PAT	(3.3)	1.5	(0.3)
CFO to Capex	(10.9)	40.4	(9.0)
CFO to total debt	(0.6)	0.8	(0.2)
CFO to current liabilities	(0.3)	0.2	(0.1)
Return ratios			
RoIC (%)	121.9%	77.7%	48.6%
RoE (%)	99.2%	64.9%	45.5%
RoA (%)	7.2%	12.2%	14.3%
RoCE (%)	163.2%	93.4%	60.8%
Per share data			
Restated EPS (Rs.)	3.1	5.8	7.5
BVPS (Rs.)	3.1	8.9	16.4
Operating cash flow per share (Rs.)	(10.4)	8.9	(2.2)

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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