

IPO Report

Choice

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Travel Food Services Ltd.**
Anticipating strong profitable business growth.



- Salient features of the IPO:
- Travel Food Services Ltd.** (TFSL), is a fast-growing Indian airport travel quick service restaurant (QSR) operator, offering a diverse range of curated food and beverage (F&B) concepts across various cuisines, brands, and formats. The company also operates in the Lounge sector, managing designated areas within airport terminals to provide premium services to travellers, is coming up with an IPO to raise around Rs. 2,000cr, which opens on 7th July. and closes on 9th July. 2025. The price band is Rs. 1,045 – 1,100 per share.
 - The IPO solely comprises of OFS (Rs. 2000cr).
 - Post-IPO, the P&PG and public shareholders will have 85.47% and 14.53% stake in the company, respectively.

- Key competitive strengths:
- Leading player in the Travel QSR and Lounge sectors in Indian airports
 - Strong expertise in operating and handling the distinct challenges of F&B in the operationally complex and highly secure airport environment
 - Proven and established track record of long-term working relationships with airport operators
 - Diversified portfolio of partner F&B brands franchised from high-quality brand partners and in-house F&B brands
 - Deep understanding of traveller preferences with a focus on delivering a quality customer Experience
 - Experienced management team, supported by our synergistic partnerships with SSP and K Hospitality

- Risk and concerns:
- General slowdown in the global economic activities
 - The Travel QSRs and Lounges at the top 5 airports contributes the major part of the revenue
 - We depend on our relationship with our brand partners to franchise their brands
 - Competition

- Below are the key highlights of the company:
- The Indian aviation sector witnessed a CAGR of 9.2% and 3.6% in terms of domestic and international passengers between Fiscal 2015 and Fiscal 2024, according to the CRISIL Report. Similarly, the Travel QSR sector in Indian airports has demonstrated robust growth, with a CAGR of 15% between Fiscal 2019 and Fiscal 2024, driven by increased air passenger traffic and the evolving Travel QSR landscape. Airports now accommodate global, regional, and local brands, as well as standalone Travel QSRs, to meet consumers’ diverse culinary preferences, as highlighted in the CRISIL Report
 - The Indian lounge industry also experienced significant growth, with a CAGR of 26% between Fiscal 2019 and Fiscal 2024, driven by airport infrastructure expansion, a rise in credit and debit card usage, and an increase in airline frequent flyer and loyalty program participation. The Indian lounge industry is projected to grow at a CAGR of 21-23% between Fiscal 2024 and Fiscal 2034, reaching an estimated size of Rs.15,500–16,500 crore. Additionally, the global lounge market is expected to grow at a CAGR of 8.5–10.5% between 2023 and 2029 in the medium term and at a CAGR of 7.5–8.5% between 2023 and 2034 in the long term, reaching a market size of Rs.1,25,000–1,30,000 crore by 2034, as reported by CRISIL.
 - By FY 2025, TFSL commanded approximately 26% of India’s airport Travel QSR segment and 45% of the airport Lounge sector by revenue—establishing itself as the national leader in both categories. This dominance spans contributions from its own operations as well as associates and joint ventures, solidified through consistent financial performance and scale.

Issue details	
Price band	Rs. 1,045 – 1,100 per share
Face value	Rs. 1
Shares for fresh issue	Nil
Shares for OFS	1.82 - 1.91cr Shares
Fresh issue size	NA
OFS issue size	Rs. 2,000cr
Total issue size	1.82 – 1.91cr shares (Rs. 2000cr)
Bidding date	7 th Jul. - 9 th jul. 2025
Implied MCAP at higher price band	Rs. 14,485cr
Implied enterprise value at higher price band	Rs. 14,548cr
Book running lead manager	Kotak Mahindra Capital Company Ltd. HSBC Securities and Capital Markets (India) Pvt Ltd. ICICI Securities Ltd. Batlivala & Karani Securities India Pvt Ltd.
Registrar	MUFG Intime India Pvt Ltd.
Sector	Restaurants.
Promoters	SSP Group Plc, SSP Group Holdings Ltd, SSP Financing Ltd, SSP Asia Pacific Holdings Ltd, Kapur Family Trust, Varun Kapur And Karan Kapur.

Category	Percent of issue (%)	Number of shares
QIB portion	50%	0.91 - 0.96cr shares
Non institutional portion (Big)	10%	0.18 - 0.19cr shares
Non institutional portion (Small)	5%	0.09 - 0.10cr shares
Retail portion	35%	0.64 - 0.67cr shares

Indicative IPO process time line	
Finalization of basis of allotment	10 th Jul. 2025
Unblocking of ASBA account	11 th Jul. 2025
Credit to demat accounts	11 th Jul. 2025
Commencement of trading	14 th Jul. 2025

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	100.00%	85.47%
Public	0.00%	14.53%
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	13
Application money	Rs. 14,300 per lot

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

Company name	FV (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs.)	6M Return (%)	12M Return (%)	FY25 Revenue (Rs. cr)	FY25 EBITDA (Rs. cr)	FY25 PAT (Rs. cr)	FY25 EBITDA margin (%)	FY25 PAT margin (%)
Travel Food Services Ltd	10	1,100	14,485	14,548	-	-	1,688	554	380	32.8%	22.5%
Jubilant Foodworks Ltd	2	705	46,530	50,748	-6.9%	24.0%	8,142	1,568	217	19.3%	2.7%
Devayani International Ltd	1	167	20,207	23,214	-12.0%	-0.5%	4,951	810	(7)	16.4%	-0.1%
Sapphire Foods India Ltd	2	351	11,267	12,481	-8.1%	0.8%	2,882	477	17	16.6%	0.6%
Westlife Foodworld Ltd	2	753	11,747	13,311	-5.0%	-7.7%	2,491	320	12	12.8%	0.5%
Average										16.3%	0.9%

Company name	Total Debt	Cash	FY25 RoE (%)	FY25 RoCE (%)	P / E	P / B	EV / Sales	EV / EBITDA	MCAP / Sales	EPS (Rs.)	BVPS (Rs.)	D/E
Travel Food Services Ltd	101	38	36.0%	33.5%	38.2	13.8	8.6	26.3	8.6	28.8	80	0.1
Jubilant Foodworks Ltd	4,372	154	10.3%	13.0%	214.4	22.1	6.2	32.4	5.7	3.3	32	2.1
Devayani International Ltd	3,188	181	-0.6%	6.0%	-	18.5	4.7	28.7	4.1	(0.1)	9	2.9
Sapphire Foods India Ltd	1,292	78	1.2%	6.0%	662.8	8.1	4.3	26.2	3.9	0.5	44	0.9
Westlife Foodworld Ltd	1,623	59	2.0%	7.0%	978.9	19.5	5.3	41.6	4.7	0.8	39	2.7
Average			3.2%	8.0%	618.7	17.0	5.1	32.2	4.6	1.1	30.8	2.2

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
Travel Food Services Ltd	25.8%	21.7%	22.9%	32.5%	22.5%	36.2%	30.1%	23	3	62	1,053
Jubilant Foodworks Ltd	25.6%	17.5%	-21.6%	20.6%	5.5%	15.4%	13.3%	11	76	187	2,103
Devayani International Ltd	28.5%	11.0%	-	18.9%	2.8%	8.5%	11.0%	4	44	111	1,095
Sapphire Foods India Ltd	12.8%	5.3%	-73.0%	17.8%	4.3%	7.9%	7.7%	4	44	103	1,398
Westlife Foodworld Ltd	4.6%	-8.5%	-67.3%	15.1%	2.8%	11.2%	11.0%	3	37	106	603
Average	17.9%	6.3%	-54.0%	18.1%	3.8%	10.7%	10.8%	6	50	127	1300

Note: Considered financials for the period during FY22-25 (with IPO adjustments); Source: Choice Broking Research

- As of March 31, 2025, TFSL operated 442 Travel QSR outlets across India and Malaysia: 384 located in airports and 29 highway sites. It directly managed 270 outlets, with the remaining 172 run by associates and joint ventures. This network services travelers with fast and convenient food options, and is informed by airport-specific operational adaptations
- TFSL's Lounge business includes 37 lounges: 28 in India, 8 in Malaysia, and 1 in Hong Kong—strategically placed in terminals to cater to first/business-class passengers and loyalty/card program members. These lounges offer premium amenities such as chef-curated menus and dedicated spaces, enhancing travel experiences
- TFSL operates across 14 Indian airports, alongside 3 in Malaysia and one in Hong Kong. In India, 13 of those are among the top 15 busiest by passenger traffic, capturing around 74% of total air traffic in FY 2025. This expansive footprint supports both QSR and Lounge exposure to high-volume travel routes
- Launching its first outlet in 2009, TFSL has developed specialized capabilities to operate in highly secure, 24/7 environments. It maintains a strong 93.9% contract renewal rate, addressing complex airport requirements such as security clearances, logistics, restricted spaces, and compliance protocols
- In FY 2025, TFSL achieved Rs.1,687.7 Cr in revenue (+20.9%) and Rs.379.7 Cr in net profit (+27.3%), continuing the upward trajectory from Rs.1,396 Cr and Rs.298 Cr in FY 2024. Over FY 2023–25, it maintained a ~26% CAGR in revenue and ~24% in net profit, while achieving a strong ROCE of ~51%.
- TFSL is a joint venture between SSP Group plc and K Hospitality. SSP, a FTSE 250 airport F&B leader, holds approximately 50% and brings global reach with 3,000+ outlets and 550 brands as of mid-2025. K Hospitality, powered by the Kapur family, provides 50 years of domestic F&B expertise, complementing global partnerships, supply-chain synergies, and culinary leadership
- TFSL operates a balanced mix—32 global, 58 regional, and 37 in-house brands, totaling 127 concepts. These range from quick-service staples like KFC, Pizza Hut, and Krispy Kreme to regional favourites (Hatti Kaapi, Bikanervala) and proprietary brands (Curry Kitchen, idli.com). Formats include fast food, cafés, bakeries, food courts, bars—each customized for travel with streamlined menus, packaging, ordering tech, and service models
- Indian aviation grew at CAGRs of 9.1% (domestic) and 4.2% (international) during FY 2015–25. The airport Travel QSR and Lounge segments saw ~16% and ~24% CAGRs (FY 2019–25), respectively. Projections for FY 2025–34 estimate 17–19% CAGR in QSR and 22–24% in Lounges. Meanwhile, India's airport count is expected to surge from 138 (Sep 2024) to about 300 by 2047—creating more venues for TFSL

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

- TFSL has announced the ARAYA lounge brand umbrella for global expansion: directly in India, Southeast Asia, and the Middle East; with SSP franchising the concept in Europe, North America, and Australasia. TFSL also plans highway “wayside amenities” in India using its airport-grounded service capability
- Passengers in India often spend more time at airports than the global average due to early check-in (60 minutes prior) and gate closures (20 minutes prior). As airports streamline security and boarding, dwell time further increases. Extended waiting periods naturally encourage travelers to explore dining, shopping, entertainment, and lounge options—significantly raising average per-passenger spend.
- The rapid growth of low-cost carriers (LCCs) in India is a major catalyst for Travel QSRs. LCCs often don’t provide in-flight meals, prompting passengers to purchase food and beverages before boarding. This shift is especially beneficial for QSR outlets located near departure areas, where last-minute grab-and-go dining becomes a preferred option.
- India’s lounge market is being fueled by the proliferation of credit cards offering complimentary lounge access, and frequent flyer programs that include lounge entitlements. As middle-income travelers upgrade their cards or accumulate loyalty status, more individuals enjoy lounge amenities—especially in major metro airports with 8–10 lounges each. This aligns with a growing travel-cultural trend of “premium at scale.”
- Compared to developed countries, India remains significantly underpenetrated in air travel: just 0.27 enplanements per person in 2023 versus 0.81 in China and 0.99 in Brazil. Lounge density is similarly low, with only about 0.7 lounges per airport on average (Sep 2024). This massive room for growth extends across both premium travel spend and infrastructure—suggesting a long runway for both QSR and lounge expansion.
- Beyond airports, India’s national highway network is being redefined by infrastructure initiatives like the NHAI’s Wayside Amenities (WSA) program. Over 1,000 roadside facilities—including fuel points, food courts, retail, EV charging, and rest areas—will be built along expressways by 2030 via PPP models. This widespread rollout offers QSR operators new avenues for growth, tapping into extended road-traveler segments.

Peer comparison and valuation: TFSL is a clear market leader in QSR and F&B services at airports and highways, operating extensively across major Indian airports and planning further expansion aligned with rising consumer spending and infrastructural growth. It has delivered consistent top- and bottom-line growth, illustrating strong operational momentum. As a niche, first-mover in its domain, it draws investor interest.

TFSL’s revenue surged from Rs.1,067 Cr in FY23 to Rs.1,687 Cr in FY25 (CAGR ~26%), driven by strong growth in both its Travel QSR and Lounge divisions. Profitability deepened ROIC climbed to 67%, while strong cash flows and low debt highlight excellent financial health and discipline. Operational efficiency improved, with stable asset turnover and optimized working capital cycles. Overall, TFSL exhibits high-growth profitability, strong cash conversions, and a solid balance sheet which is well-positioned for further expansion. Thus, we recommend a **“Subscribe”** rating for this issue.

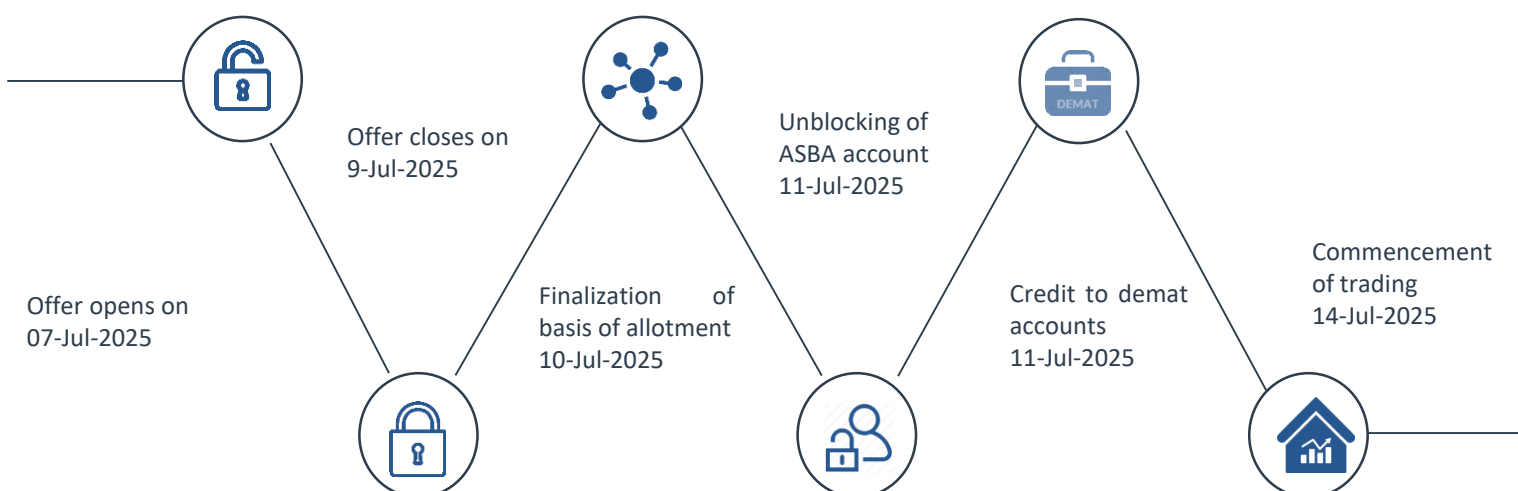
About the issue:

- TFSL is coming up with an IPO to raise around Rs. 2,000cr, which opens on 7th July. and closes on 9th July. 2025. The price band is Rs. 1,045 – 1,100 per share The issue is through book building process with a price band of Rs. 1,045 – 1,100 per share.
- Lot size comprises of 13 equity shares and in-multiple of 13 shares thereafter.
- The issue will open on 7th Jul. 2025 and close on 9th Jul. 2025.
- The IPO solely comprises of OFS.
- Consequently, post-IPO, the P&PG and public shareholders will have 85.47% and 14.53% 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%	85.47%
Public	0.00%	14.53%
Non-promoter & Non-public	0.00%	0.00%

Source: Choice Equity Broking

Indicative IPO process time line:



Pre-issue financial performance:

Performance over FY23-25:TFSL demonstrated impressive revenue growth across all segments, with consolidated operating revenue rising from Rs.1,067 Cr to Rs.1,687 Cr—an annual compound growth rate of 25.8%, with 20.9% year-over-year growth in FY 2025. Both Travel QSR and Lounge businesses expanded rapidly: Travel QSRs grew at a 19% annual rate, while Lounges achieved 22% growth. There was also notable margin expansion: gross profit increased alongside EBITDA, which rose from Rs.373 Cr to Rs.554 Cr, yielding an expanding EBITDA margin, and a corresponding surge in reported profit, reinforcing the scalability of the business model.

TFSL's profitability metrics reflect a trend of operational efficiency: restated adjusted EPS increased from Rs.19.1 to Rs.28.8 over two years, with consistent YoY improvement. Return on invested capital (ROIC) rose from ~51% in FY 2024 to ~67% in FY 2025, while return on assets and equity both strengthened. Strong operating cash flow—rising from Rs.322 Cr to Rs.514 Cr—translated into free cash flow of Rs.589 Cr in FY 2025, underscoring a robust internal financing capability, reduced capital reliance, and effective working capital management as evidenced by improved conversion cycles.

TFSL has leveraged significant operational scale—total asset turnover hovered consistently near 0.9x, even amidst rapid growth—highlighting efficient asset utilization. The working capital cycle also became more streamlined, with trade receivables days dropping and payables cycle lengthening, supporting better liquidity and cash conversion. The low net-debt-to-EBITDA ratio (~0.1x) and net debt declining from Rs.75 Cr to Rs.70 Cr reinforce a strong balance sheet position, favoring both operational stability and future expansion capacity.

Overall, TFSL's financial trajectory reflects high-growth profitability, effective cost control, and strong cash conversion. With rising margins, disciplined capital use, and minimal leverage, the company appears well-positioned to invest in further expansion of its Travel QSR and Lounge offerings—both within airports and along highways—while maintaining financial resilience and investor appeal.

Pre-issue financial snapshot (Rs. cr)	FY23	FY24	FY25	CAGR over FY22-24	Y-o-Y (FY24 annual)
Revenue bifurcation of segments					
Lounge services	492.4	623.5	758.4	15%	22%
Travel QSR	539.1	732.8	872.1	17%	19%
Management and other services	34.5	39.0	57.1	18%	46%
Revenue from operations	1,067.2	1,396.3	1,687.7	25.8%	20.9%
Gross profit	856.7	1,111.6	1,391.4	27.4%	25.2%
EBITDA	373.9	412.1	554.1	21.7%	34.4%
Reported PAT	251.3	298.1	379.7	22.9%	27.4%
Restated adjusted EPS	19.1	22.6	28.8	22.9%	27.4%
Cash flow from operating activities	322.1	352.9	514.8	26.4%	45.9%
NOPLAT	389.5	424.0	585.4	22.6%	38.1%
FCF	435.2	465.2	589.4	-	26.7%
RoIC (%)	52.7%	51.2%	67.6%	1496 bps	1639 bps
Revenue growth rate	-	30.8%	20.9%	-	(998)bps
Gross profit growth rate	-	29.7%	25.2%	-	(458)bps
Gross profit margin	80.3%	79.6%	82.4%	216 bps	283 bps
EBITDA growth rate	-	10.2%	34.4%	-	2421 bps
EBITDA margin	35.0%	29.5%	32.8%	(220)bps	332 bps
Restated PAT growth rate	-	18.6%	27.4%	-	872 bps
Restated PAT margin	23.5%	21.4%	22.5%	(105)bps	114bps
Inventories days	3.6	2.9	2.2	-21.7%	-23.6%
Trade receivables days	39.5	14.5	15.3	-37.7%	5.7%
Trade payables days	(61.0)	(59.2)	(66.4)	4.3%	12.1%
Cash conversion cycle	(17.9)	(41.8)	(48.8)	65.1%	16.8%
Total asset turnover ratio	0.8	0.9	0.9	8.2%	1.7%
Current ratio	1.9	1.6	1.6	-8.4%	-2.5%
Total debt	75.8	123.2	100.9	15.4%	-18.1%
Net debt	33.6	55.1	75.6	50.0%	37.1%
Debt to equity	0.1	0.1	0.1	-9.0%	-32.1%
Net debt to EBITDA	0.1	0.1	0.1	23.2%	2.0%
RoE	38.3%	34.1%	36.0%	(230)bps	192 bps
RoA	18.9%	19.7%	21.1%	947bps	141 bps
RoCE	30.7%	25.9%	33.5%	280 bps	759 bps

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

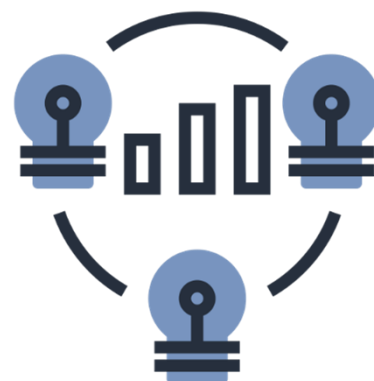


Competitive strengths:

- Leading player in the Travel QSR and Lounge sectors in Indian airports
- Strong expertise in operating and handling the distinct challenges of F&B in the operationally complex and highly secure airport environment
- Proven and established track record of long-term working relationships with airport operators
- Diversified portfolio of partner F&B brands franchised from high-quality brand partners and in-house F&B brands
- Deep understanding of traveller preferences with a focus on delivering a quality customer Experience
- Experienced management team, supported by our synergistic partnerships with SSP and K Hospitality

Business strategy:

- Optimise the product offerings and service to grow like-for-like (“LFL”) sales
- Grow new space in existing markets and build strategic presence in new markets
- Deliver operating synergies and leverage scale benefits
- Optimise capital expenditure through best practices
- Win with People



Risk and concerns:

- General slowdown in the global economic activities
- The Travel QSRs and Lounges at the top 5 airports contributes the major part of the revenue
- We depend on our relationship with our brand partners to franchise their brands
- Competition

Financial statements:

Restated consolidated profit and loss statement (Rs. cr)

	FY23	FY24	FY25	CAGR over FY23-25	Annual growth over FY24
Revenue from operations	1,067.2	1,396.3	1,687.7	25.8%	20.9%
Cost of Materials Consumed	193.1	261.1	276.1	19.6%	5.7%
Purchase of Stock-in-Trade	16.9	26.5	21.0	11.4%	-20.9%
Change in Inventories of Stock-in-Trade	0.4	(2.9)	(0.7)		-76.2%
Gross profit	856.7	1,111.6	1,391.4	27.4%	25.2%
Employee benefits expenses	159.4	229.9	276.5	31.7%	20.3%
Other expenses	323.5	469.6	560.7	31.7%	19.4%
EBITDA	373.9	412.1	554.1	21.7%	34.4%
Depreciation & amortization expenses	83.1	110.8	126.3	23.3%	14.0%
EBIT	290.8	301.3	427.8	21.3%	42.0%
Finance costs	47.8	51.7	45.7	-2.2%	-11.6%
Other income	36.4	66.1	75.0	43.5%	13.5%
PBT	279.4	315.7	457.1	27.9%	44.8%
Share of profit of associates and joint ventures, net of tax	47.8	71.8	47.3	-0.5%	-34.2%
Tax expenses	75.8	89.3	124.7	28.2%	39.5%
Reported PAT	251.3	298.1	379.7	22.9%	27.4%

Restated consolidated balance sheet statement (Rs. cr)

	FY23	FY24	FY25	CAGR over FY23-25	Annual growth over FY24
Equity share capital	3.9	3.9	13.2	84.4%	240.0%
Other Equity	651.6	869.7	1,040.2	26.3%	19.6%
Non-controlling intrest	9.6	14.3	16.8	32.8%	17.7%
Non-current borrowings	22.0	58.2	-		
Other non-current financial liabilities	8.7	10.2	6.1	-16.7%	-40.4%
Non-current provisions	5.9	7.1	6.8	7.3%	-4.9%
Lease Liabilities	286.3	265.9	217.7	-12.8%	-18.1%
Non-Current Liabilities	0.9	0.6	0.1	-71.6%	-86.5%
Borrowings	9.0	5.5	-		
Trade payables	178.4	274.7	339.1	37.9%	23.5%
Current Tax Liabilities (Net)	10.1	3.6	4.9	-30.0%	35.2%
Other current financial liabilities	35.0	51.2	89.9	60.3%	75.7%
Other current liabilities	21.3	19.5	21.4	0.2%	9.8%
Current provisions	24.0	25.6	31.2	14.0%	21.6%
Lease Liabilities	65.6	86.4	115.4	32.6%	33.5%
Total liabilities	1,332.3	1,696.4	1,902.7	19.5%	12.2%
PP&E	95.6	122.2	121.0	12.5%	-1.0%
Capital Work-in-Progress	6.5	22.8	38.6	144.2%	69.5%
Right-of-use Assets	254.6	262.5	248.8	-1.1%	-5.2%
Intangible assets	0.8	0.8	2.2	66.1%	183.5%
Loans	88.9	135.3	108.6	10.5%	-19.7%
Investments	138.1	218.1	279.1	42.2%	28.0%
Goodwill	1.5	1.5	-	0.0%	0.0%
Other non-current financial assests	45.7	63.0	69.2	23.1%	9.8%
Deferred tax assets	60.5	93.1	82.0	16.4%	-11.8%
Other non-current assets	12.3	32.0	4.7	-38.5%	-85.5%
Inventories	10.6	11.6	8.9	-8.3%	-23.3%
Current Trade receivables	114.0	105.0	106.2	-3.5%	1.1%
Investments	325.5	375.6	589.4	34.6%	56.9%
Cash & cash equivalents	42.2	68.1	25.3	-22.6%	-62.8%
Other bank balances	92.2	110.5	12.2	-63.6%	-88.9%
Other current financial assets	22.2	41.1	148.5	158.4%	261.1%
Loans	6.0	10.7	31.2	128.0%	192.6%
Other current assets	15.0	22.7	27.0	34.1%	18.7%
Total assets	1,332.3	1,696.4	1,902.7	19.5%	12.2%

Financial statements (Contd...):

Restated consolidated cash flow statement (Rs. cr)					
	FY23	FY24	FY25	CAGR over FY23-25	Annual growth over FY24
Cash flow before working capital changes	384.9	426.5	562.8	20.9%	32.0%
Working capital changes	(0.9)	55.5	54.1		-2.6%
Cash flow from operating activities	322.1	352.9	514.8	26.4%	45.9%
Purchase of fixed assets & CWIP	(37.4)	(78.6)	(59.8)	26.5%	-23.9%
Cash flow from investing activities	(196.8)	(154.9)	(191.2)	-1.4%	23.4%
Cash flow from financing activities	(104.4)	(172.1)	(342.7)	81.2%	99.1%
Net cash flow	21.0	25.9	(19.1)		-173.7%
Opening balance of cash	21.2	42.2	68.1	79.3%	61.4%
Closing balance of cash from continuing operations	42.2	68.1	25.3	-22.6%	-62.8%

Financial ratios			
Particulars	FY23	FY24	FY25
Profitability ratios			
Revenue growth rate	-	30.8%	20.9%
Gross profit growth rate	-	29.7%	25.2%
Gross profit margin	80.3%	79.6%	82.4%
EBITDA growth rate	-	10.2%	34.4%
EBITDA margin	35.0%	29.5%	32.8%
EBIT growth rate	-	3.6%	42.0%
EBIT margin	27.2%	21.6%	25.3%
Restated PAT growth rate	-	18.6%	27.4%
Restated PAT margin	23.5%	21.4%	22.5%
Turnover ratios			
Inventory turnover ratio	100.9	125.9	164.8
Trade receivable turnover ratio	9.2	12.6	15.9
Accounts payable turnover ratio	6.0	6.2	5.5
Fixed asset turnover ratio	2.4	2.8	3.2
Total asset turnover ratio	0.8	0.9	0.9
Liquidity ratios			
Current ratio	1.9	1.6	1.6
Quick ratio	1.8	1.6	1.6
Total debt	75.8	123.2	100.9
Net debt	33.6	55.1	75.6
Debt to equity	0.1	0.1	0.1
Net debt to EBITDA	0.1	0.1	0.1
Cash flow ratios			
CFO to PAT	1.3	1.2	1.4
CFO to Capex	8.6	4.5	8.6
CFO to total debt	4.3	2.9	5.1
CFO to current liabilities	1.0	0.8	0.9
Return ratios			
RoIC (%)	52.7%	51.2%	67.6%
RoE (%)	38.3%	34.1%	36.0%
RoA (%)	18.9%	19.7%	21.1%
RoCE (%)	30.7%	25.9%	33.5%
Per share data			
Restated EPS (Rs.)	19.1	22.6	28.8
DPS (Rs.)	-	-	-
BVPS (Rs.)	49.8	66.3	80.0
Operating cash flow per share (Rs.)	24.5	26.8	39.1
Free cash flow per share (Rs.)	33.0	35.3	44.8

Source: Choice Equity Broking

IPO rating rationale

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

Subscribe for Long Term: Relatively better growth prospects but with valuation discomfort.

Avoid: Concerns on both fundamentals and demanded valuation.

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