



Choice
Nurturing Financial Excellence

IPO REPORT

**“SUBSCRIBE” to
MSTC Ltd.**

Salient features of the IPO:

- Established in 1964, **MSTC Ltd.** (MSTC) is a Mini Ratna Category-I PSU under the administrative control of the Ministry of Steel, Government of India. The company is planning to raise around Rs. 2.1-2.2bn through an IPO by offering 17.67mn shares between the price range Rs. 121 - 128 per share.
- The IPO consists of only OFS, thus the company will not receive any proceeds from it.

Key competitive strengths:

- One of the leading PSU entities engaged in providing e-commerce services to customers in a most transparent, fair and secured manner
- Ability to create a virtual marketplace for any physical commercial activity thereby creating value for all the stakeholders
- First mover advantage on account of domain expertise in providing e-commerce services thereby helping to boost its business
- Robust, advanced and scalable technology platform

Risk and concerns:

- Slowdown in the economy
- Adverse government regulations and policies
- Majority of the revenue generated from government entities
- Inability to add private clients
- Inability to manage counter party risk in the trading business
- Competition

Peer comparison and valuation: There is no listed entity operating in similar line of business as of company. At the higher price band of Rs. 128, MSTC's share is valued at a P/S multiple of 0.4x (to its FY18 sales).

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

- MSTC is one of the leading PSU engaged in providing e-commerce related services mainly to government entities. Its services include e-auction/e-sales, e-procurement services and development of customized software/solutions. As of 31st Dec. 2018, the company has conducted around 0.19mn auctions and has emerged as the preferred service provider for various government entities. MSTC is also the nominated service provider for all the major mineral blocks in states like Assam, Chhattisgarh, Jharkhand, Rajasthan and Uttar Pradesh. The company is also involved into trading activities of various commodities like metallurgical coke, HR coil, naptha, crude oil, coking coal, steam coal, line pipes etc., which caters to customers across steel, oil & gas and power sectors. Through an equal JV company i.e. MMRPL, MSTC has forayed into the recycling sector.
- With expanding economic growth leading to a higher requirement of minerals coupled with relatively lower growth in the available resources, there will be higher demand of MSTC services and solutions. We are expecting a higher level of e-auction activities across various minerals. Also, there would be a higher import of critical commodities, thereby positively impacting the traditional business of the company.
- Future key revenue drivers for MSTC's e-commerce segment would be the spectrum auction for the telecom players, auction of coal blocks for merchant mining, privatization of government assets & lands etc. It is expecting an increased business from the agricultural & forest produces, mainly through the recently launched JaivikKheti portal. The company is targeting to expand its customer base by providing services through B2C mode. With the launch of M3 portal (a metal mandi) and mobile app, MSTC is targeting the retail buyers. On the same business model, it is further planning to launch e-shopping malls for handicrafts, apparels, painting etc. Anticipating the positive outlook, MSTC has rightly identified the e-commerce segment as the growth area for the future. The management is expecting around 30-40% growth in the business from the e-commerce segment.
- With slowdown in the steel sector in FY11-13, the profitability of the Trading segment was negatively impacted, especially the cash & carry (C&C) business model. For the same, in H1 FY19, the company has fully provisioned the loss from this business model. Also the management has indicated, that they would be putting less focus on C&C business model and would rather concentrate on other two less risky trading business models. Thus, we are expecting a sustainable and a profitable growth from this segment.

Recommendation	SUBSCRIBE
Price Band (Rs.)	Rs. 121 - 128 per Share
Face Value (Rs.)	Rs. 10
Shares for Fresh Issue (mn)	Nil
Shares for OFS (mn)	17.67mn Shares
Fresh Issue Size (Rs. mn)	N/a
OFS Issue Size (Rs. mn)	Rs. 2,138.1 - 2,261.8mn
Total Issue Size (Rs. mn)	17.67mn Shares (Rs. 2,138.1 - 2,261.8mn)
Bidding Date	13 th Mar. - 15 th Mar. 2019
Reservation for MSTC's Employees	0.07mn Shares
Net Offer for Sales (mn Shares)	17.60mn Shares (Rs. 2,129.6 - 2,252.8mn)
MCAP at Higher Price Band	Rs. 9,011mn
Enterprise Value at Higher Price Band	Rs. 11,125mn
Book Running Lead Manager	Equirus Capital Pvt. Ltd.
Registrar	Alankit Assignments Ltd.
Sector/Industry	E-commerce
Promoters	The President of India, acting through the Ministry of Steel, Government of India

Pre and post - issue shareholding pattern		
	Pre - Issue	Post - Issue
Promoter and Promoter Group	89.85%	64.75%
Public	10.15%	35.25%
Total	100.00%	100.00%

Retail Application Money at Higher Cut-Off Price per Lot	
Number of Shares per Lot	90
Application Money	Rs. 11,520 per Lot
Employee and Retail Discount	Rs. 5.50 per Share on the Offer Price

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Peer comparison and valuation (Contd...):

- The financial performance of the company is not encouraging. Despite reporting increased transactions across the Marketing and e-commerce segment, the company reported a 16.2% CAGR decline in top-line over FY16-18, which was mainly due to sharp decline the sales of thermal coal. Reported EBITDA was at loss for the majority of the time period. This was mainly due to an increased provision towards the doubt full debt - arising from the C&C trading activities done in FY11-13. Over FY16-18 and in H1 FY19, the company has provisioned around Rs. 7.4bn of the doubtful debts. Adjusting reported EBITDA with the provisions, EBITDA (ex-provisions) would stand at Rs. 1,910.9mn in FY16, Rs. 1,574mn in FY17 and a loss of Rs. 1,907.3mn in FY18 (loss mainly arising from higher employee expenses). In for H1 FY19, EBITDA (ex-provisions) stood at Rs. 1,952.2mn with a margin of 13.2%. Similarly, adjusted PAT (ex-provisions) would have increased by 39.3% CAGR over FY16-18 to stand at Rs. 2,173.4mn in FY18. Average adjusted PAT margin would be around 7.6% over the same period. H1 FY19 adjusted PAT stood at Rs. 1,136.7mn, with a margin of 7.7%. Average RoE (ex-provisions) is estimated at around 20% over FY16-18. MSTC is a regular dividend paying company. Over FY16-18, the average dividend per share stood at Rs. 3.7.
- Based on our quick estimate, we are forecasting a 19.7% CAGR rise in the top-line over FY18-20 to Rs. 32,479.4mn in FY20. EBITDA is forecasted to be a profit of Rs. 2,591.1mn in FY19E as against a loss of Rs. 4,132.4mn in FY18. The profitability is further expected to rise to Rs. 4,820mn in FY20. Reported PAT is anticipated to be a profit of Rs. 1,314.2mn in FY19E as compared to a loss of Rs. 158.8mn in FY18. Further, FY20E reported PAT is expected at Rs. 2,672.2mn. RoE for FY19 and FY20E is estimated to be 28.2% and 38.2%, respectively.

On valuation front, at higher price band, the company is demanding a P/S valuation of 0.4x (to its FY18 sales). Moreover based on FY19E and FY20E sales, it is demanding a P/S valuation of 0.3x. Considering the importance and positioning of its services among various government entities, favorable government policies for business growth, stable dividend payout and improvement in the financial performance, the issue seems to be attractively priced. Thus, we assign a **"SUBSCRIBE"** rating to the issue.

About the issue:

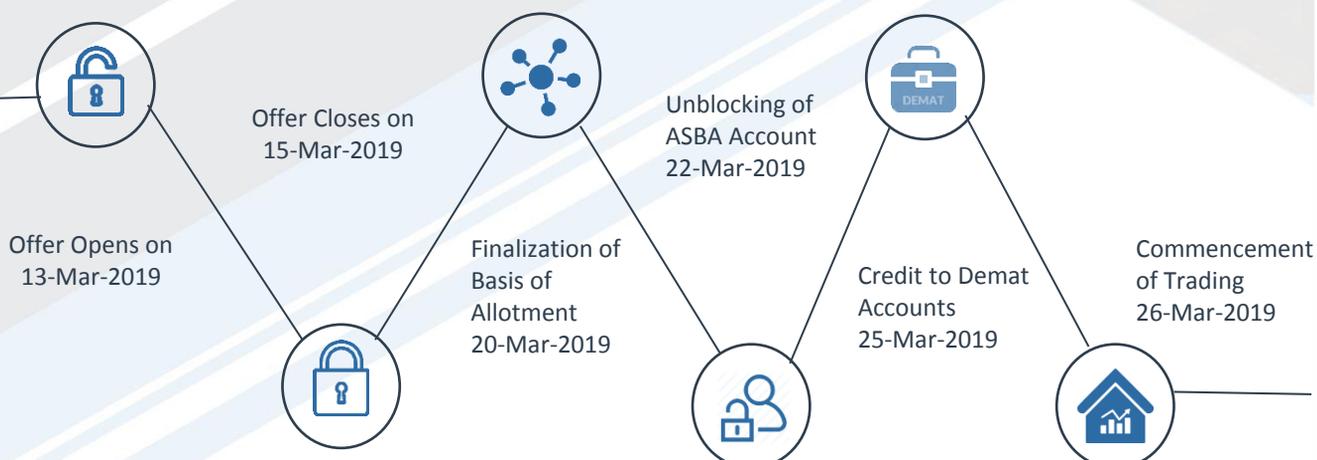
- MSTC is coming up with an initial public offering (IPO) with 17.67mn shares (fresh issue: nil; OFS shares: 17.67mn shares) in offering. The offer represents around 25.1% of its post issue paid-up equity shares of the company. Total IPO size is Rs. 2,138.1 - 2,261.8mn.
- The issue will open on 13th Mar. 2019 and close on 15th Mar. 2019.
- The issue is through book building process with a price band of Rs. 121 - 128 per share.
- 0.07mn shares are reserved for MSTC's employees, thus the net issue size is 17.60mn shares (Rs. 2,129.6 - 2,252.8mn).
- The employee and retail discount is Rs. 5.5 per share on the offer price.
- Since the issue is fully OFS, the company will not receive any proceeds from it.
- 75% of the net issue shall be allocated on a proportionate basis to qualified institutional buyers, while rest 15% and 10% is reserved for non-institutional bidders and retail investors, respectively.
- Promoter holds 89.85% stake in the company and post-IPO this will come down to 64.75%. Public holding will increase from current 10.15 to 35.25%.

Pre and post issue shareholding pattern (%)

	Pre Issue	Post Issue (at higher price band)
Promoter & Promoter Group (%)	89.85%	64.75%
Public (%)	10.15%	35.25%

Source: Choice Equity Broking

Indicative IPO process time line:



Company introduction:

Incorporated in 1964, as a trading company to deal in the export of scrap, MSTC have grown into a large diversified, multi-product services and trading company. The company was a canalizing agency for import of ferrous scrap until 1992. After de-canalization, it has established itself as one of the leading e-commerce service providers in the country and also as one of the major player in trading of bulk raw material. MSTC has also entered into the recycling business through Mahindra MSTC Recycling Pvt. Ltd. (MMRPL) - a 50:50 joint venture with Mahindra Intertrade Ltd., for setting up a shredding plant and collection centers across the country. In a synopsis, it can be stated that there are three main business verticals in the company which are namely, (i) E-commerce, (ii) Trading, and (iii) Recycling through MMRPL.

E-commerce: MSTC is one of the leading PSU entities engaged in providing e-commerce related services across diversified industry segment offering e-auction/e-sale, e-procurement services and development of customized software/solutions. The company has emerged as a pioneer in the e-auction segment catering to the government sector, partnering with different government agencies and ministries in conducting e-auctions. It is one of the key players offering comprehensive range of services in e-procurement segment.

With an experience of over 0.19mn auctions, serving over 0.11mn users as at 31st Dec. 2018, the company has emerged as the preferred service provider for various government and government controlled entities which is demonstrated by the fact that it is able to get repeat business from the same client. Many of the MSTC's clients are engaging it on a nomination basis based on the strong credentials in e-commerce vertical. The company has conducted 28,600 auctions/events during FY18 and 30,500 auctions/event for nine months period ended 31st Dec. 2018.

Since FY02, MSTC is offering e-auction platform to a large number of government departments and entities. The company offers complete package of services from preparation of the auction catalogue to the issuance of delivery orders and advertisements of the same on case to case basis with e-payment and e-wallet facilities. Starting with sale of coal through e-auction way back in 2004, it has been developing different modules of e-auction such as lot wise auction, price quantity auction, tender cum auction, e-tender etc. to cater to the various needs of different sellers. The company has also conducted e-auction for sale of scraps, old plant & machineries, minerals, agricultural produce, coal and non-coal mine blocks, land parcels, tea, gorgon nut, tendu leaves, timbers and other forest produce, etc. A key characteristic of its e-auction is transparency in conducting these services.

MSTC is a nominated service provider for all major mineral blocks and minor mineral blocks of a few states namely, Assam, Chhattisgarh, Jharkhand, Rajasthan and Uttar Pradesh. E-auction of sand mining blocks in Uttar Pradesh has been one of the signature events in recent past. It has also developed an EXIM portal for one of the leading petroleum companies to provide a transparent online platform for their exporting and importing activities.

The company commenced e-procurement services from FY12 and offers end-to-end platform solutions for e-procurement starting from raising of indents to issuance of letter of intent/purchase order for both e-tender and e-reverse auctions. It is backed by mandatory STQC certification for quality requirements. The application modules are primarily developed in-house and comply with the guidelines framed by the CVC, IT Act and its amendments and general financial rules. MSTC's e-procurement portal has been certified by STQC for quality and security checks, thereby providing secured operations and customization as desired by the client. It also provides e-tender and e-reverse auction services for procurement of a range of products including raw materials, industry supplies, coal, electricity and store items etc.

Trading: Since incorporation, MSTC was a canalizing agency for import of ferrous scrap until 1992. After de-canalization, the company has established itself as one of the established players in trading bulk raw material. The Trading division is engaged in import as well as domestic sourcing of bulk industrial raw material for actual users as well as traders. This division looks after sourcing, purchase and sale of industrial raw materials like low ash metallurgical coke, HR coil, naptha, crude oil, coking coal, steam coal, line pipes etc. on behalf of its customers.

The company is mainly catering to customers across steel, oil and gas, power sectors in private and public sector. There are different business models in-use, depending on the customer, the materials, and other factors. These include cash & carry model, 110% bank guarantee backed procurement and associate supplier model.

Recycling: To expand its spectrum of operation and to support the steel industry in India, in FY17, MSTC through MMRPL forayed into the recycling sector. MMRPL is poised to set-up one of the organized state of the art auto shredding plant in India for recycling "End of Life Vehicles" (ELV) and other white goods by converting these into shredded scrap, which is a vital raw material for steel plants. A collection and dismantling center with state-of-the-art technology has been set up in Greater Noida, State of Uttar Pradesh as a supply feedstock for the auto shredding plant.

Company introduction (Contd...):

Financial performance: On the back of increased transactions across the Marketing and e-commerce segment, the company reported 34.7% CAGR rise in the service charge over FY16-18 to Rs. 2,756.2mn in FY18. However, due to sharp decline the sales of thermal coal - business from the sales of goods declined by 23.8% CAGR to stood at 15,652.4mn in FY18. Consequently, consolidated operating revenue declined by 16.2% CAGR over FY16-18 to Rs. 22,654mn in FY18. In H1 FY19, consolidated top-line stood at Rs. 14,769.1mn.

Cost of goods sold (net of change in inventories) declined by 23.6% CAGR over Fy16-18, while as a percent of top-line it declined from 84.4% in FY16 to 70.2% in FY18. Employee expenses increased by 22.9%, mainly due to the revision of wages of employees. Other expenses increased by 28.6% CAGR, leading to an EBITDA loss of Rs. 4,132.4mn in FY18 as compared to a loss of Rs. 1,675.9mn in FY16. H1 FY19, consolidated EBITDA stood at Rs. 666.5mn with a margin of 4.5%.

Other expenses included provision of doubtful debts and it accounted to Rs. 6,124.1mn over FY16-18. Adjusting reported EBITDA with the provisions, EBITDA (ex-provisions) would stood at Rs. 1,910.9mn in FY16, Rs. 1,574mn in FY17 and a loss of Rs. 1,907.3mn in FY18 (loss mainly arising from higher employee expenses). In for H1 FY19, EBITDA (ex-provisions) stood at Rs. 1,952.2mn with a margin of 13.2%.

Depreciation & amortization charges increased by 3.3% CAGR, while finance cost declined by 16.8% CAGR during FY16-18. Other income increased by 152.7% CAGR. As a result, reported PAT was in loss of Rs. 2,471mn in FY16, profit of Rs. 1,391.5mn in FY17 and a loss of Rs. 64.8mn in FY18. H1 FY19, reported PAT was at a loss of Rs. 158.8mn.

Adjusted PAT (ex-provisions) would have increased by 39.3% CAGR over FY16-18 to stood at Rs. 2,173.4mn in FY18. Average adjusted PAT margin would be around 7.6% over the same period. H1 FY19 adjusted PAT stood at Rs. 1,136.7mn, with a margin of 7.7%.

Cash flow from operations was positive over FY16-18 (expect for FY17). Debt equity ratio was stable at 2.1x over the period. Debt comprises of only short term loans.

	FY16	FY17	FY18	H1 FY19	CAGR (%)	Y-o-Y (%)
Sale of Goods	26,948.0	11,955.0	15,652.4	10,952.1	-23.8%	30.9%
Service Charges	1,519.2	2,028.0	2,756.2	1,425.9	34.7%	35.9%
Others	3,784.4	3,409.2	4,245.4	2,391.1	5.9%	24.5%
Revenue from Operations	32,251.6	17,392.2	22,654.0	14,769.1	-16.2%	30.3%
EBITDA	(1,675.9)	1,261.8	(4,132.4)	666.5	57.0%	-427.5%
Adjusted PAT	(2,467.0)	1,396.7	(51.7)	(149.0)	-85.5%	-103.7%
Restated Adjusted EPS	(35.0)	19.8	(0.7)	(2.1)	-85.5%	-103.7%
Cash Flow from Operating Activities	2,233.3	(5,193.8)	947.6	5,234.9	-34.9%	-118.2%
Revenue Growth Rate (%)		-46.1%	30.3%			
EBITDA Growth Rate (%)		-175.3%	-427.5%			
EBITDA Margin (%)	-5.2%	7.3%	-18.2%	4.5%		
Adjusted PAT Growth Rate (%)		-156.6%	-103.7%			
Adjusted PAT Margin (%)	-7.6%	8.0%	-0.2%	-1.0%		
Inventories Turnover Ratio (x)	168.2	37.2	57.7	253.0	-41.4%	55.1%
Trade Receivable Turnover Ratio (x)	1.2	0.6	0.6	0.5	-28.4%	11.2%
Accounts Payable Turnover Ratio (x)	1.5	0.7	0.9	0.7	-23.1%	19.4%
Fixed Asset Turnover Ratio (x)	49.0	25.6	28.5	16.7	-23.7%	11.5%
Total Asset Turnover Ratio (x)	0.8	0.4	0.5	0.3	-21.4%	26.5%
Current Ratio (x)	1.0	1.0	1.0	1.0	0.8%	-0.5%
Debt to Equity (x)	2.1	1.7	2.1	0.9	0.4%	23.4%
Net Debt to EBITDA (x)	2.1	1.6	(0.5)	(3.8)		-132.4%
RoE (%)	-78.4%	34.4%	-1.4%	-4.5%		
RoA (%)	-5.9%	3.0%	-0.1%	-0.4%		
RoCE (%)	-48.7%	23.9%	-91.7%	15.2%		

Source: Choice Equity Broking



Competitive strengths:

- One of the leading PSU entities engaged in providing e-commerce services to customers in a most transparent, fair and secured manner
- Ability to create a virtual marketplace for any physical commercial activity thereby creating value for all the stakeholders
- First mover advantage on account of domain expertise in providing e-commerce services thereby helping to boost its business
- Robust, advanced and scalable technology platform

Business strategy:

- Diversifying customer portfolio to increase private clientele in its e-commerce vertical
- Continue to focus on and further develop e-commerce business by capturing the untapped markets
- Foray into e-commerce backed trading for better price discovery and transparent transactions
- Diversify into B2C segment
- Develop the recycling business



Risk and concerns:

- Slowdown in the economy
- Adverse government regulations and policies
- Majority of the revenue generated from government entities
- Inability to add private clients
- Inability to manage counter party risk in the trading business
- Competition

Financial statements:

Consolidated profit and loss statement (Rs. mn)

	FY16	FY17	FY18	H1 FY19	CAGR over FY16 - 18 (%)	Annual Growth over FY17 (%)
Revenue from Operations	32,251.6	17,392.2	22,654.0	14,769.1	-16.2%	30.3%
Purchases of Stock-in-Trade / Operational Consumables & Spares	(25,909.8)	(12,826.1)	(15,192.8)	(11,070.9)	-23.4%	18.5%
Changes in Stock of Finished Goods, Work-in-Progress and Stock-in-Trade	(1,315.4)	554.5	(707.4)		-26.7%	-227.6%
Employee Benefits Expense	(1,401.3)	(1,491.5)	(2,114.9)	(787.4)	22.9%	41.8%
Other Expenses	(5,301.0)	(2,367.3)	(8,771.3)	(2,244.3)	28.6%	270.5%
EBITDA	(1,675.9)	1,261.8	(4,132.4)	666.5	57.0%	-427.5%
Depreciation and Amortization Expense	(116.1)	(121.3)	(123.9)	(63.8)	3.3%	2.1%
EBIT	(1,792.0)	1,140.5	(4,256.3)	602.8	54.1%	-473.2%
Finance Costs	(973.8)	(677.2)	(673.6)	(334.6)	-16.8%	-0.5%
Other Income	826.4	1,369.8	5,277.5	146.4	152.7%	285.3%
Exceptional Items	(4.0)	(0.5)			-100.0%	-100.0%
Share of Profit / (Loss) of Joint Ventures		(4.7)	(13.1)	(9.9)		178.7%
PBT	(1,943.4)	1,827.9	334.5	404.7		-81.7%
Tax Expenses	(527.6)	(436.4)	(399.3)	(563.5)	-13.0%	-8.5%
Reported PAT	(2,471.0)	1,391.5	(64.8)	(158.8)	-83.8%	-104.7%
Adjusted PAT	(2,467.0)	1,396.7	(51.7)	(149.0)	-85.5%	-103.7%

Consolidated balance sheet statement (Rs. mn)

	FY16	FY17	FY18	H1 FY19	CAGR over FY16 - 18 (%)	Annual Growth over FY17 (%)
Equity Share Capital	88.0	176.0	352.0	352.0	100.0%	100.0%
Other Equity	3,058.7	3,884.3	3,309.6	2,927.2	4.0%	-14.8%
Long Term Borrowings				33.4		
Non Current Trade Payables	2.6	2.6	2.6	2.6	0.0%	0.0%
Other Non Current Financial Liabilities	8.4	6.8	9.4	8.5	5.8%	38.2%
Long Term Provisions	458.0	652.9	893.3	569.9	39.7%	36.8%
Other Non Current Liabilities	62.7	56.8	73.7	80.4	8.4%	29.7%
Short Term Borrowings	6,533.3	6,883.5	7,661.8	2,986.0	8.3%	11.3%
Trade Payables	21,731.7	25,596.8	26,038.2	21,901.3	9.5%	1.7%
Other Current Financial Liabilities	8,827.4	8,105.3	8,556.9	13,146.8	-1.5%	5.6%
Other Current Liabilities	208.6	164.4	265.8	296.7	12.9%	61.7%
Short Term Provisions	621.9	468.0	212.7	258.9	-41.5%	-54.6%
Current Tax Liabilities	19.6					
Liabilities Directly Associated with Assets Classified as Held for Sale	0.8	0.7	2.5	2.5	76.8%	257.1%
Total Liabilities	41,621.8	45,998.1	47,378.6	42,566.3	6.7%	3.0%
Property, Plant and Equipment	615.5	641.9	677.1	704.2	4.9%	5.5%
Other Intangible Assets	1.1	16.4	13.3	10.5	247.7%	-18.9%
Capital Work-in-Progress	41.4	21.8	104.4	169.4	58.8%	378.9%
Long Term Investments		26.3	88.0	78.2		234.6%
Long Term Trade Receivables	0.2	0.5	4.4		369.0%	780.0%
Other Non Current Financial Assets	580.3	804.9	555.6	255.4	-2.2%	-31.0%
Non Current Tax Assets	90.6	151.7	571.5	394.1	151.2%	276.8%
Deferred Tax Assets (Net)	3,124.2	3,170.5	2,815.8	2,637.3	-5.1%	-11.2%
Other Non Current Assets	58.3	39.3	104.0	166.8	33.6%	164.6%
Inventories	191.7	743.9	41.6	58.4	-53.4%	-94.4%
Trade Receivables	25,815.9	34,598.1	36,167.6	31,881.5	18.4%	4.5%
Cash and Bank Balances	10,076.3	4,888.4	5,548.0	5,537.4	-25.8%	13.5%
Current Financial Assets	823.3	696.2	517.8	481.5	-20.7%	-25.6%
Other Current Assets	176.2	171.8	143.6	162.5	-9.7%	-16.4%
Assets Classified as Held for Sale	26.8	26.4	25.9	29.2	-1.7%	-1.9%
Total Assets	41,621.8	45,998.1	47,378.6	42,566.3	6.7%	3.0%

Source: Company RHP

Financial statements:

Consolidated cash flow statement (Rs. mn)

Particulars (Rs. mn)	FY16	FY17	FY18	H1 FY19	CAGR over FY16 - 18 (%)	Annual Growth over FY17 (%)
Cash Flow Before Working Capital Changes	1,914.6	1,855.1	2,683.5	1,952.9	18.4%	44.7%
Change in Working Capital	1,051.2	(6,516.1)	(1,269.3)	3,509.3		-80.5%
Cash Flow from Operating Activities	2,233.3	(5,193.8)	947.6	5,234.9	-34.9%	-118.2%
Purchase of Property, Plant & Equipment	(140.0)	(193.8)	(262.9)	(193.1)	37.0%	35.7%
Cash Flow from Investing Activities	3,051.3	3,771.6	105.0	(247.4)	-81.4%	-97.2%
DPS	(182.2)	(347.6)	(249.9)	(260.5)	17.1%	-28.1%
DDT	(49.3)	(72.9)	(50.9)		1.6%	-30.2%
Cash Flow from Financing Activities	(3,510.8)	120.4	(944.4)	(3,594.3)	-48.1%	-884.4%
Net Cash Flow	1,773.8	(1,301.8)	108.2	1,393.2	-75.3%	-108.3%
Opening Balance of Cash and Bank Balances	(861.2)	912.6	(389.2)	(281.0)	-32.8%	-142.6%
Closing Balance of Cash and Bank Balances	912.6	(389.2)	(281.0)	1,112.2		-27.8%

Consolidated financial ratios

Particulars (Rs. mn)	FY16	FY17	FY18	H1 FY19
Revenue Growth Rate (%)		-46.1%	30.3%	
EBITDA Growth Rate (%)		-175.3%	-427.5%	
EBITDA Margin (%)	-5.2%	7.3%	-18.2%	4.5%
EBIT Growth Rate (%)		-163.6%	-473.2%	
EBIT Margin (%)	-5.6%	6.6%	-18.8%	4.1%
Adjusted PAT Growth Rate (%)		-156.6%	-103.7%	
Adjusted PAT Margin (%)	-7.6%	8.0%	-0.2%	-1.0%
Liquidity ratios				
Current Ratio	1.0	1.0	1.0	1.0
Debt Equity Ratio	2.1	1.7	2.1	0.9
Net Debt to EBITDA	2.1	1.6	(0.5)	(3.8)
Turnover ratios				
Inventories Days	2.2	9.8	6.3	1.4
Debtor Days	292.2	633.9	570.1	787.9
Payable Days	(245.9)	(496.6)	(416.0)	(541.3)
Cash Conversion Cycle	48.4	147.1	160.4	248.1
Fixed Asset Turnover Ratio (x)	49.0	25.6	28.5	16.7
Total Asset Turnover Ratio (x)	0.8	0.4	0.5	0.3
Return ratios				
RoE (%)	-78.4%	34.4%	-1.4%	-4.5%
RoA (%)	-5.9%	3.0%	-0.1%	-0.4%
RoCE (%)	-48.7%	23.9%	-91.7%	15.2%
Per share data				
Restated Reported EPS (Rs.)	(35.0)	19.8	(0.7)	(2.1)
Restated DPS (Rs.)	2.6	4.9	3.5	3.7
Restated BVPS (Rs.)	44.7	57.7	52.0	46.6
Restated Operating Cash Flow Per Share (Rs.)	31.7	(73.8)	13.5	74.4
Restated Free Cash Flow Per Share (Rs.)		0.9	(54.9)	
Dividend Payout Ratio	7.4%	24.9%	483.3%	174.8%

Note: Ratios calculated on pre-issue data;

Source: Company RHP

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