

# IPO Report

Choice

## “Subscribe for Long-Term” to Aequs Ltd.

End-to-End aerospace systems manufacturer with potential growth



**Salient features of the IPO:**

- **Aequs Ltd.** (Aequs) is India’s leading precision component manufacturer operating within a single special economic zone (SEZ) with fully vertically integrated aerospace manufacturing, covering forging, machining, surface treatment and assembly. The company has one of the largest aerospace product portfolios in India, including engine systems, landing systems, cargo and interiors, structures and assemblies. With niche metallurgy and advanced titanium machining capabilities, it has also diversified into consumer electronics, plastics, and consumer durables, supplying cookware, home appliances, toys, and smart-device components.
- The company has raised Rs. 144cr in a pre-IPO placement, issuing 1.16cr shares at Rs. 123.97 each to SBI Emergent India Fund, DSP India Fund-India Long/ Short Strategy Fund with cash management option, SBI Optimal Equity Fund - Long Term, and Think India Opportunities Master Fund LP.
- This issue is a combination of fresh issue (Rs. 670cr) and OFS (Rs. 251.8cr). The company will not receive any proceeds of the OFS. From the fresh issue net proceeds and net pre-IPO proceeds, the company will be utilizing Rs. 433.17cr for repayment of certain outstanding borrowings and prepayment penalties; and Rs. 64.0cr for funding capital expenditure to be incurred on account of purchase of machinery and equipment. Residual proceeds will be used for funding inorganic growth through unidentified acquisitions, other strategic initiatives and general corporate purposes.

**Key competitive strengths:**

- Advanced and vertically integrated precision manufacturing capabilities
- Operations in vertically-integrated precision manufacturing ecosystems
- Manufacturing presence across three continents with strategic proximity to end customers
- Comprehensive precision product portfolio across high value segments
- Long-standing relationships with high entry barrier global customers
- Founder-led business supported by an experienced management team and a qualified employee base

**Business strategy:**

- Continue to increase wallet share with existing customers in the aerospace segment by moving up the manufacturing value chain and diversify its customer base in the aerospace segment
- Grow portfolio of consumer products
- Improve margins through higher value manufacturing and measures for operational efficiencies
- Leverage existing capabilities to increase the market share in capability and sector adjacencies

**Risk and concerns:**

- High dependence on a few global aerospace OEM customers
- Cyclicity and program concentration in the aerospace industry
- Long working capital cycle and high capital intensity stress cash flows
- Foreign exchange fluctuation risk due to high export dependency
- Competition

**Valuation Overview and IPO Rating**

Aequs is among India’s leading vertically integrated aerospace component manufacturers with a diversified portfolio across engines, landing systems, cargo and interiors, and structural assemblies. The global aerospace manufacturing industry is in a strong upcycle, driven by record aircraft order backlogs, supply-chain diversification, and rising outsourcing to cost-efficient markets such as India.

The company’s strengths lie in its integrated manufacturing ecosystems, niche metallurgy and precision titanium machining, and deep relationships with global aerospace OEMs. Its diversification into consumer electronics, plastics, and consumer durables improves utilization and de-risks revenues, while its strategy focuses on scaling complex assemblies and expanding aerospace content.

At the upper end of the price band, Aequs is valued at an EV/Sales multiple of 8.5x, while P/E remains negative due to near-term profitability pressures. However, compared to listed aerospace and precision manufacturing peers, the valuation reflects long-term growth potential backed by strong structural demand and high entry barriers. Thus, we recommend a “**Subscribe for Long-Term**” rating.

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**Issue details**

Price band	Rs. 118 - 124 per share
Face value	Rs. 10
Shares for fresh issue	5.403 - 5.678cr shares
Shares for OFS	2.031cr shares
Fresh issue size	Rs. 670.0Cr
OFS issue size	Rs. 239.63 - 251.81.0Cr
Total issue size	7.434 - 7.709cr shares (Rs. 909.63 - 921.81cr)
Employee reservation portion	0.016 - 0.17cr shares (Rs. 2.0cr)
Net issue size	7.418 - 7.692cr shares (Rs. 907.63 - 919.81cr)
Bidding date	3 <sup>rd</sup> Dec - 5 <sup>th</sup> Dec. 2025
Implied MCAP at higher price band	Rs. 8,316.06cr
Implied enterprise value at higher price band	Rs. 8,495.38cr
Book running lead manager	JM Financial Ltd., IIFL Capital Services Ltd., Kotak Mahindra Capital Company Ltd.
Registrar	KFin Technologies Ltd.
Sector	Aerospace components manufacturer
Promoters	Aravind Shivaputrappa Melligeri, Aequs Manufacturing Investments Pvt Ltd, Melligeri Private Family Foundation, and The Melligeri Foundation

Category	Percent of issue (%)	Number of shares
QIB portion	75%	5.563 - 5.769cr shares
Non institutional portion (Big)	10%	0.742 - 0.769cr shares
Non institutional portion (Small)	5%	0.371 - 0.385cr shares
Retail portion	10%	0.742 - 0.769cr shares

**Indicative IPO process time line**

Finalization of basis of allotment	8 <sup>th</sup> Dec. 2025
Unblocking of ASBA account	9 <sup>th</sup> Dec. 2025
Credit to demat accounts	9 <sup>th</sup> Dec. 2025
Commencement of trading	10 <sup>th</sup> Dec. 2025

**Pre and post - issue shareholding pattern**

	Pre-issue	Post-issue
Promoter & promoter group	64.49%	59.08%
Public	32.95%	38.56%
Non-promoter & Non-public	2.56%	2.36%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**Retail application money at higher cut-off price per lot**

Number of shares per lot	120
Employee discount	Rs. 11 per share
Application money	Rs. 14,880 per lot

## Peer Comparison:

Company name	FV (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs. cr)	6M Return (%)	12M Return (%)	TTM Revenue (Rs. cr)	TTM EBITDA (Rs. cr)	TTM PAT (Rs. cr)	TTM EBITDA margin (%)	TTM PAT margin (%)
<b>Aequs Ltd.</b>	<b>10</b>	<b>124</b>	<b>8,316.06</b>	<b>8,495.38</b>	-	-	<b>1,003</b>	<b>88</b>	<b>(48)</b>	<b>8.8%</b>	<b>-4.7%</b>
Azad Engineering Ltd.	2	1,664	10,749.44	10,713.44	-7.5%	-2.9%	530	190	111	35.8%	20.9%
Unimech Aerospace and Manufacturing Ltd.	5	980	4,988.20	5,029.20	-24.7%	-	247	82	80	33.2%	32.4%
Amber Enterprises India Ltd.	10	7,085	24,939.20	26,884.20	15.1%	18.4%	10,983	765	229	7.0%	2.1%
Dixon Technologies (India) Ltd.	2	14,633	88,675.98	89,421.98	-2.4%	-7.6%	48,437	1,877	1,707	3.9%	3.5%
PTC Industries Ltd.	10	18,294	27,441.00	27,322.00	23.2%	51.9%	411	78	62	19.0%	15.1%
<b>Average</b>										<b>19.8%</b>	<b>14.8%</b>

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
<b>Aequs Ltd.</b>	<b>6.7%</b>	<b>45.5%</b>	<b>-3.3%</b>	<b>8.3%</b>	<b>-8.7%</b>	<b>-18.4%</b>	<b>-2.5%</b>	<b>51</b>	<b>136</b>	<b>89</b>	<b>1,475</b>
Azad Engineering Ltd.	34.7%	49.5%	229.8%	32.7%	13.2%	6.4%	16.3%	177	1061	485	1,479
Unimech Aerospace and Manufacturing Ltd.	60.8%	62.1%	90.0%	37.6%	28.8%	37.5%	49.7%	97	201	117	706
Amber Enterprises India Ltd.	20.0%	32.1%	23.7%	6.9%	2.3%	8.8%	11.7%	81	66	143	3,647
Dixon Technologies (India) Ltd.	78.5%	70.9%	119.9%	4.0%	2.5%	27.6%	31.0%	55	37	95	4,064
PTC Industries Ltd.	18.6%	12.7%	53.2%	26.6%	16.0%	6.5%	10.3%	146	795	188	1,417
<b>Average</b>	<b>42.5%</b>	<b>45.5%</b>	<b>103.3%</b>	<b>21.6%</b>	<b>12.5%</b>	<b>17.4%</b>	<b>23.8%</b>	<b>111</b>	<b>432</b>	<b>205</b>	

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
<b>Aequs Ltd.</b>	<b>929</b>	<b>750</b>	<b>-14.3%</b>	<b>-2.0%</b>	<b>(174.6)</b>	<b>5.6</b>	<b>8.5</b>	<b>96.8</b>	<b>8.3</b>	<b>(0.7)</b>	<b>22</b>	<b>0.6</b>
Azad Engineering Ltd.	312	348	6.2%	12.0%	96.8	7.3	20.2	56.4	20.3	17.2	229	0.2
Unimech Aerospace and Manufacturing Ltd.	114	73	12.4%	22.0%	62.4	7.1	20.4	61.3	20.2	15.7	139	0.2
Amber Enterprises India Ltd.	2,793	848	11.0%	14.0%	108.9	6.8	2.4	35.1	2.3	65.1	1,036	0.8
Dixon Technologies (India) Ltd.	1,389	643	41.0%	40.0%	51.9	21.8	1.8	47.6	1.8	281.7	671	0.3
PTC Industries Ltd.	179	298	4.4%	8.0%	442.6	19.4	66.5	350.3	66.8	41.3	945	0.1
<b>Average</b>			<b>15.0%</b>	<b>19.2%</b>	<b>152.5</b>	<b>12.5</b>	<b>22.3</b>	<b>110.2</b>	<b>22.3</b>			<b>0.3</b>

Note: Considered financials for the period during FY23-25 (with IPO adjustments); TTM financial data as on 30<sup>th</sup> Sept. 2025; Source: Choice Broking Research

## Key Highlights of the Industry and the Company:

- Aequs is India's only precision component manufacturer, operating within a single SEZ with fully vertically integrated manufacturing capabilities for the aerospace segment, covering forging, machining, surface treatment and assembly. It commenced manufacturing of aero-structure and aero-engine components, for aerospace clients in units in the Belagavi Manufacturing Cluster in 2009.
- The company has one of the largest aerospace product portfolios in India, comprising components for engine systems, landing systems, cargo and interiors, structures and assemblies, with aerospace segment revenue of Rs. 824.64cr in FY25.
- The company has niche metallurgy capabilities, including precision machining of high-end alloys such as titanium, enabling it to cater to complex and safety-critical aerospace requirements. Leveraging its manufacturing capabilities, the company has diversified into consumer electronics, plastics & consumer durables, including cookware, small home appliances, toys & components for smart devices.
- The company operates three engineering-led, vertically integrated precision manufacturing ecosystems in India with an installed capacity of 2.92mn, comprising its own facilities, select suppliers and joint ventures, enabling end-to-end manufacturing as per customer specifications and supporting large-scale, timely production of complex products for both the Aerospace and Consumer Segments.
- Global aerospace OEMs such as Airbus and Boeing prefer such "one-stop-shop" suppliers due to benefits including improved quality control, cost and working capital efficiencies, reduced logistics and warehousing costs, shorter lead times and lower carbon footprint.
- The company has entered into strategic joint ventures to strengthen its product development and engineering capabilities through complementary partner expertise. Its JV with SQuAD Forging India enables the forging of complex aero-structural components in aluminium, steel, titanium, and nickel-based alloys, while its JV with Magellan Aerospace (Aerospace Processing India) provides advanced surface treatment solutions. The Tramontina JV further supports innovation in consumer products. However, these joint ventures carry risks of discontinuation, unforeseen liabilities, and potential sharing of proprietary information.
- The company has strategically shifted lower value-added activities such as 3-axis and 4-axis machining to third-party subcontractors, while focusing on higher value-added 5-axis machining, with plans to further expand advanced machining capabilities and deepen its presence in the Aerospace Segment.
- As of Sept. 30, 2025, it produced over 5,000 products within the Aerospace Segment under a variety of manufacturing and assembly programs established with its aerospace customers, including programs for single aisle (such as A220, A320) and long range (A330, A350, B777, B787) commercial aircrafts. The company had one of the largest portfolios of aerospace products in India, as of FY25.

## Key Highlights of the Company:

- As of September 2025, the company's Indian aerospace operations were running at a healthy capacity utilization of about 66%, reflecting stable production momentum, while utilization levels in France and the U.S. remained significantly lower about 25% and 14.35%, respectively, due to softer demand and program-specific ramp-ups. The consumer segment in India continued to operate at ~21% utilization, indicating available headroom for scaling. For FY25, utilisation trends largely mirrored September 2025 levels across segments.
- The company derives a significant portion of its revenue from international markets through both direct and indirect exports. During the six months ended September 2025, only about 11% of total revenue was generated from India, while the remaining nearly 89% came from overseas markets. The U.S. and France were the company's largest contributors, each accounting for around 24% of total revenue, followed by the U.K. at about 14%. Other key markets included Hong Kong, Sweden, and Germany, collectively contributing a meaningful share. A similar geographical mix was observed in the six months ended September 2024 as well as over FY23–FY25, highlighting the company's sustained dependence on exports and overseas demand for business performance.
- Since the commencement, Aequus has cultivated long-standing relationships with customers, including marquee global OEM customers across the aerospace and consumer industries. Its key clients include Airbus, Boeing, Bombardier, Collins Aerospace, Spirit Aerosystems Inc, Safran, GKN Aerospace, Mubea Aerostructures, Honeywell, Eaton and Sabca in the Aerospace Segment, and, Hasbro, Spinmaster, Wonderchef, and Tramontina in the Consumer Segment.

Particulars	Revenue Bifurcation (Rs. Cr)				
	FY23	FY24	FY25	H1FY25	H1FY26
Aerospace segment	585.2	757.0	824.6	394.7	474.0
Consumer segment	227.0	208.1	100.0	64.3	63.2
<b>Revenue from operations</b>	<b>812.1</b>	<b>965.1</b>	<b>924.6</b>	<b>459.0</b>	<b>537.2</b>
EBITDA - Aerospace Segment	83.4	174.4	159.8	87.2	117.0
EBITDA - Consumer Segment	(15.6)	(15.6)	(28.7)	(19.1)	(15.1)
<b>EBITDA - Total</b>	<b>67.8</b>	<b>158.8</b>	<b>131.1</b>	<b>68.2</b>	<b>101.9</b>

## Financial statements:

Restated consolidated profit and loss statement (Rs. cr)							
	FY23	FY24	FY25	H1FY25	H1FY26	TTM	CAGR over FY23-25
Revenue from operations	812.1	965.1	924.6	459.0	537.2	1,002.8	6.7%
Cost of materials consumed	(416.9)	(439.1)	(408.3)	(228.5)	(232.9)	(412.6)	-1.0%
Purchases of stock-in-trade	(2.1)						
Changes in inventories of finished goods, & WIP	34.9	22.5	16.1	31.5	15.4	(0.0)	-32.2%
<b>Gross profit</b>	<b>428.1</b>	<b>548.5</b>	<b>532.4</b>	<b>262.0</b>	<b>319.7</b>	<b>590.2</b>	<b>11.5%</b>
Employee benefits expenses	(144.6)	(143.4)	(158.7)	(76.2)	(92.8)	(175.3)	4.8%
Impairment losses on financial assets	(0.9)	(1.5)	(0.4)	0.9	(0.2)	(1.5)	-30.2%
Other expenses	(247.9)	(281.3)	(299.9)	(145.4)	(171.0)	(325.5)	10.0%
<b>EBITDA</b>	<b>34.6</b>	<b>122.3</b>	<b>73.4</b>	<b>41.3</b>	<b>55.7</b>	<b>87.8</b>	<b>45.5%</b>
Depreciation & amortization expenses	(99.5)	(107.7)	(103.4)	(52.9)	(57.2)	(107.6)	1.9%
<b>EBIT</b>	<b>(64.9)</b>	<b>14.6</b>	<b>(30.0)</b>	<b>(11.6)</b>	<b>(1.4)</b>	<b>(19.8)</b>	<b>-31.9%</b>
Finance costs	(64.6)	(63.8)	(58.9)	(27.9)	(35.8)	(66.8)	-4.5%
Other income	28.4	23.2	34.6	16.5	28.4	46.5	10.4%
Share of net profit of associate and JVs accounted for using the equity method, net of tax	(0.9)	5.2	8.5	5.3	3.4	6.6	-
Exceptional items	(0.7)	18.6	(48.3)	(48.3)			709.8%
<b>PBT</b>	<b>(102.7)</b>	<b>(2.2)</b>	<b>(94.1)</b>	<b>(65.9)</b>	<b>(5.4)</b>	<b>(33.6)</b>	<b>-4.3%</b>
Tax expenses	(6.0)	(10.0)	(8.3)	(5.7)	(11.3)	(13.9)	17.4%
PAT from continued operations	(108.7)	(12.1)	(102.4)	(71.6)	(16.7)	(47.5)	-2.9%
PAT from discontinued operations	(0.8)	(2.1)	0.1	(0.1)	(0.3)	(0.1)	-
<b>Reported PAT</b>	<b>(109.5)</b>	<b>(14.2)</b>	<b>(102.3)</b>	<b>(71.7)</b>	<b>(17.0)</b>	<b>(47.6)</b>	<b>-3.3%</b>

Restated consolidated balance sheet statement (Rs. cr)							
	FY23	FY24	FY25	H1FY25	H1FY26	TTM	CAGR over FY23-25
Equity share capital	424.8	424.8	581.8	424.8	605.0	605.0	17.0%
Instruments entirely equity in nature		407.1		407.1			
Other Equity	(146.2)	(15.3)	135.1	(90.8)	200.4	200.4	
Non-controlling interest	(11.4)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	-71.2%
Non-current borrowings	125.3	85.5	142.4	121.4	207.4	207.4	6.6%
Non-current lease liabilities	337.8	350.7	278.6	339.8	269.5	269.5	-9.2%
Other non-current financial liabilities	0.7	0.6	6.5	0.5	6.1	6.1	213.9%
Provisions for employee benefits	11.0	12.7	16.2	13.0	17.1	17.1	21.2%
Other non-current liabilities	2.9		4.5		4.2	4.2	23.6%
Contract liabilities			19.3	19.5	17.6	17.6	
Trade payables	225.8	202.5	230.9	232.7	293.2	293.2	1.1%
Current borrowings	220.8	206.4	294.6	263.4	326.1	326.1	15.5%
Current lease liabilities	52.0	56.4	69.4	56.6	65.9	65.9	15.6%
Other current financial liabilities	26.5	49.6	40.0	37.0	54.2	54.2	23.0%
Provisions for employee benefits	4.5	5.5	6.6	6.6	8.1	8.1	20.4%
Other current liabilities	29.5	19.2	15.3	20.2	16.8	16.8	-28.1%
Current tax liabilities (net)		6.1	3.5	1.7	7.2	7.2	
Contract liabilities	16.5	12.2	16.1	11.0	36.6	36.6	-1.4%
Liabilities directly associated with assets classified as held for sale	1.1	0.0	0.0	0.0			-83.6%
<b>Total liabilities</b>	<b>1,321.7</b>	<b>1,823.0</b>	<b>1,859.8</b>	<b>1,863.5</b>	<b>2,134.4</b>	<b>2,134.4</b>	<b>18.6%</b>
PP&E	181.5	174.9	166.9	171.4	402.4	402.4	-4.1%
Right-of-use assets	416.9	411.2	334.9	391.2	312.7	312.7	-10.4%
Capital WIP	1.6	175.4	395.1	272.2	346.1	346.1	1471.4%
Investment property	6.4						
Goodwill	65.5	65.5	17.3	17.3	17.3	17.3	-48.7%
Other intangible assets	13.4	8.5	6.1	7.0	5.3	5.3	-32.4%
Intangible assets under development	0.4						
Investments accounted for using equity	57.5	62.2	76.8	71.7	81.3	81.3	15.6%
Non current investments	0.1	0.1	0.1	0.1	0.1	0.1	2.4%
Other non current financial assets	33.7	39.5	70.6	43.6	78.0	78.0	44.7%
Non current Contract assets					5.1	5.1	
Deferred tax assets (net)	30.9	32.4	33.2	31.4	33.1	33.1	3.6%
Current tax assets	2.7	1.4	1.9	3.2	0.7	0.7	-16.5%
Other non-current assets	7.9	15.9	13.3	17.4	22.9	22.9	30.2%
Inventories	298.5	354.1	408.3	418.7	459.1	459.1	17.0%
Current Investments		29.7		37.1			
Current Trade receivables	107.1	136.9	156.6	162.2	181.3	181.3	20.9%
Cash & cash equivalents	51.3	79.3	60.9	65.7	57.2	57.2	9.0%
Bank balances other than cash	6.1	172.7	18.8	75.5	22.6	22.6	76.1%
Other current financial assets	3.3	1.5	12.9	1.1	12.4	12.4	96.9%
Current contract assets	0.1	2.5	5.3	3.4	2.7	2.7	854.9%
Other current assets	31.8	58.8	80.8	73.0	94.0	94.0	59.5%
Assets classified as held for sale	5.0	0.4	0.0	0.4	0.0	0.0	-94.7%
<b>Total assets</b>	<b>1,321.7</b>	<b>1,823.0</b>	<b>1,859.8</b>	<b>1,863.5</b>	<b>2,134.4</b>	<b>2,134.4</b>	<b>18.6%</b>

Source: Choice Equity Broking

Restated consolidated cash flow statement (Rs. cr)							
	FY23	FY24	FY25	H1FY25	H1FY26	TTM	CAGR over FY23-25
Cash flow before working capital changes	50.9	130.5	103.4	69.3	73.2	107.3	42.6%
Working capital changes	(40.1)	(145.5)	(65.2)	(70.3)	(19.0)	(13.9)	27.5%
<b>Cash flow from operating activities</b>	<b>9.8</b>	<b>(19.1)</b>	<b>26.1</b>	<b>(11.7)</b>	<b>47.9</b>	<b>85.8</b>	<b>63.2%</b>
Purchase of fixed assets & CWIP	(85.6)	(181.8)	(265.2)	(122.2)	(199.9)	(342.9)	76.0%
<b>Cash flow from investing activities</b>	<b>(88.9)</b>	<b>(343.4)</b>	<b>(73.8)</b>	<b>(29.8)</b>	<b>(203.7)</b>	<b>(247.7)</b>	<b>-8.8%</b>
<b>Cash flow from financing activities</b>	<b>54.4</b>	<b>393.5</b>	<b>25.4</b>	<b>31.6</b>	<b>166.0</b>	<b>159.8</b>	<b>-31.7%</b>
<b>Net cash flow</b>	<b>(24.7)</b>	<b>31.0</b>	<b>(22.3)</b>	<b>(9.9)</b>	<b>10.2</b>	<b>(2.1)</b>	<b>-5.0%</b>
Opening balance of cash	82.6	51.3	79.3	79.3	60.9	65.7	-2.0%
Effects of exchange rate changes on cash	(6.6)	(3.0)	3.9	(3.7)	(14.0)	(6.4)	
<b>Closing balance of cash from continuing operations</b>	<b>51.3</b>	<b>79.3</b>	<b>60.9</b>	<b>65.7</b>	<b>57.2</b>	<b>57.2</b>	<b>9.0%</b>

Financial ratios							
Particulars	FY23	FY24	FY25	H1FY25	H1FY26	TTM	
Profitability ratios							
Revenue growth rate	-	18.8%	-4.2%	-	17.0%	-	
Gross profit growth rate	-	28.1%	-2.9%	-	22.0%	-	
Gross profit margin	52.7%	56.8%	57.6%	57.1%	59.5%	58.9%	
EBITDA growth rate	-	252.9%	-40.0%	-	35.0%	-	
EBITDA margin	4.3%	12.7%	7.9%	9.0%	10.4%	8.8%	
EBIT growth rate	-	-122.5%	-305.9%	-	-87.7%	-	
EBIT margin	-8.0%	1.5%	-3.2%	-2.5%	-0.3%	-2.0%	
Restated PAT growth rate	-	-87.0%	618.5%	-	-76.3%	-	
Restated PAT margin	-13.5%	-1.5%	-11.1%	-15.6%	-3.2%	-4.7%	
Cash Conversion							
Inventories days	134.2	123.4	150.5	164.2	153.9	167.1	
Trade receivables days	48.1	46.1	57.9	63.6	60.7	66.0	
Trade payables days	(101.5)	(81.0)	(85.5)	(91.3)	(98.2)	(106.7)	
Cash conversion cycle	80.8	88.6	122.9	136.6	116.4	126.4	
Turnover ratios							
Inventory turnover ratio	2.7	3.0	2.4	1.1	1.2	2.2	
Trade receivable turnover ratio	7.6	7.9	6.3	2.8	3.1	5.5	
Accounts payable turnover ratio	3.6	4.5	4.3	2.0	2.0	3.4	
Fixed asset turnover ratio	1.2	1.2	1.0	0.5	0.5	0.9	
Total asset turnover ratio	0.6	0.5	0.5	0.2	0.3	0.5	
Liquidity ratios							
Current ratio	0.9	1.5	1.1	1.3	1.0	1.0	
Quick ratio	0.4	0.9	0.5	0.7	0.5	0.5	
Total debt	763.0	749.2	831.5	818.7	929.1	929.1	
Net debt	711.7	669.9	770.6	753.0	872.0	872.0	
Debt to equity	2.7	0.9	1.2	1.1	1.2	1.2	
Net debt to EBITDA	20.5	5.5	10.5	18.2	15.6	9.9	
Cash flow ratios							
CFO to PAT	(0.1)	1.3	(0.3)	0.2	(2.8)	(1.8)	
CFO to Capex	0.1	(0.1)	0.1	(0.1)	0.2	0.3	
CFO to total debt	0.0	(0.0)	0.0	(0.0)	0.1	0.1	
CFO to current liabilities	0.0	(0.0)	0.0	(0.0)	0.1	0.1	
Return ratios							
RoIC (%)	-11.9%	-6.5%	-4.5%	-2.1%	-1.9%	-3.6%	
RoE (%)	-39.3%	-1.7%	-14.3%	-9.7%	-2.1%	-5.9%	
RoA (%)	-8.3%	-0.8%	-5.5%	-3.8%	-0.8%	-2.2%	
RoCE (%)	-6.5%	1.0%	-2.0%	-0.8%	-0.1%	-1.2%	
Per share data							
Restated EPS (Rs.)	(1.6)	(0.5)	(0.8)	(0.3)	(0.3)	(0.7)	
BVPS (Rs.)	4.2	12.2	10.7	11.0	12.0	12.0	
Operating cash flow per share (Rs.)	0.1	(0.3)	0.4	(0.2)	0.7	1.3	
Free cash flow per share (Rs.)		(7.4)	0.1		0.3		

Source: Choice Equity Broking

## 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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