Narnolia™

Metropolis Healthcare Ltd

"NEUTRAL"
2nd April 2019

IPO Note

Issue Detail

Type	100% Book Built Issue
Issue Size (Cr)	Rs. 1204
Offer Price	Rs.877 – 880
Retail & Employee Discount	NIL
Min App Size	17 Shares
Issue Open	3rd April 2019
Issue Close	5th April 2019
Shares Offer	13,685,095
Face Value	Rs.2
Lead Mgrs	JM Financial Ltd., Credit Suisse Securities (India) Pvt Ltd., Goldman Sachs (India) Sec. Pvt Ltd., HDFC Bank Ltd, Kotak Mahindra Capital Company Ltd.
Listing	BSE & NSE
Registrar	Link Intime India Private Limited
Market Cap (Post Issue)(Cr)	4,416

Market cap. , Issue size, shares offer are as per Upper price band

No. of shares (Post & Pre Issue)

No. of Shares (Pre Issue)	50,178,680
Offer for Sale	13,685,095
Fresh Issue made*	NIL
No. of Shares (Post Issue)	50,178,680

* No. of shares as per Upper price band

Bid allocation pattern

QIB	73%	10,038,822
Non-Institutional	15%	2,007,764
Retail	10%	1,338,509
Employee	2%	300,000

Management Team:

- ❑ Dr. Sushil Kanubhai Shah (Designation: Chairman and Executive Director)
- ❑ Ameera Sushil Shah (Designation: Managing Director)

Company Overview

- ❑ Metropolis Healthcare is one of the leading diagnostics companies in India, by revenue. Company has widespread presence across 18 states in India with leadership position in west and south India.
- ❑ Company has a widespread operational network and offers a comprehensive range of clinical laboratory tests and profiles, which are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of the disease.
- ❑ Company also offer analytical and support services to clinical research organizations for their clinical research projects. During the financial year 2018, Company had conducted approximately 16.0 million tests from approximately 7.7 million patient visits.
- ❑ Company offers a broad range of approximately 3,480 clinical laboratory tests and 524 profiles.
- ❑ Company provides services through widespread laboratory and service network, which covers 173 cities in India.
- ❑ Company's service network caters to individual patients as well as institutional customers.
- ❑ They service individual patients through 1,130 patient touch points (out of which 28 are located outside India), as of March 31, 2018, including 251 patient service centers owned by Company ("Owned PSCs") and 879 third party patient service centers ("Third Party PSCs").

Competitive Strengths

- ❑ One of the leading diagnostics companies in India which is well positioned to leverage the expected growth in the Indian diagnostics industry .
- ❑ Widespread operational network, young patient touch point network and asset light growth of service network .
- ❑ Comprehensive test menu with wide range of clinical laboratory tests and profiles
- ❑ Strong and established brand with a focus on quality and customer service
- ❑ Robust Information Technology Infrastructure with Focus on Improving Efficiency
- ❑ Established track record of successful acquisition and integration in India and overseas .

Strategies

- ❑ Continue to Focus on Organic Growth Initiatives to Expand their Reach .
- ❑ Continues Focus on Providing Quality Tests and Services .
- ❑ Focus on the Expansion of Service Network
- ❑ Focus on Increasing our Business from Individual Patients
- ❑ Pursue New Avenues of Growth
- ❑ Focus on Consolidation Opportunities in a Largely Unorganized Diagnostic Sector .

Objectives of the Issue

- ❑ To achieve the benefits of listing the Equity Shares on the Stock Exchanges.
- ❑ Listing of the Equity Shares will enhance visibility and brand image of the company
- ❑ Listing will also provide a public market for the Equity Shares in India.

View & Valuation

There is huge concentration of the business currently in West and South regions of India. The fund raised from the IPO proceeds is not being invested in Metropolis. The company has shown good revenue growth in the last 5 years. The current offer price is valued at 42.6x PE for FY2018, which is near to its listed peers. Hence IPO price of Rs 880 looks fully priced in. The stock may offer opportunity to invest for longterm post listing. Hence we assign Neutral rating to the issue.

INDUSTRY OVERVIEW

India's GDP at constant prices (in USD terms) grew at a CAGR of 4.0% from USD 1,620 billion in the financial year 2013 to USD 1,898 billion in the financial year 2017. Strong democracy, industrial growth and strategic relations (regional and global) are expected to drive India's future growth such that its GDP is expected to reach USD 2,483 billion by the financial year 2022 and is set to become one of the top three economic powers of the world over the next 10 to 15 years .

India's population was estimated to be 1.32 billion in 2016 and is expected to grow at a CAGR of 1.2% between 2016 and 2022 to reach 1.42 billion by 2022. India's population grew at CAGR of 1.2% from 2010 to 2016, whereas it stood at 0.5% for China, 0.7% for the US, 1.3% for Indonesia, 0.8% for Brazil, 0.5% for Germany, 0.01% for Russia and 1.6% for South Africa during the same period. Approximately a fifth of the total world population resides in India.

In 2016, 13% of India's total population was estimated to be above the age of 54 years and it is expected to increase to 15% by the financial year 2022. It is expected that the ageing population base in India and its predisposition to various chronic diseases will create a huge opportunity for the healthcare sector in the near future and pose a significant demand on the healthcare infrastructure to provide healthcare access for all.

Overview of the Indian Healthcare Market

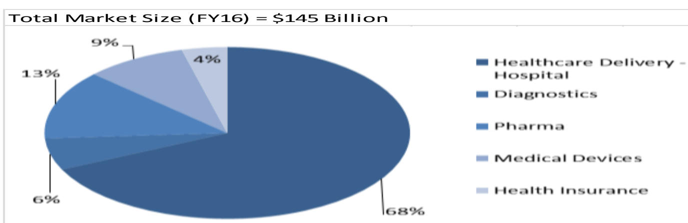
The size of the Indian healthcare industry, in revenue terms, was USD 125 billion in the financial year 2015, which is estimated to have increased to USD 171 million by the financial year 2017. The healthcare industry is expected to grow at a CAGR of 16.9% from USD 125 billion in the financial year 2015 to USD 273 billion in the financial year 2020. India's healthcare market is expected to be among the top three healthcare markets globally, in terms of incremental growth, by the financial year 2020.

Per Capita Healthcare Expenditure

India's per capita healthcare expenditure stands substantially lower than its South Asian peers such as Indonesia and China, which had per capita healthcare expenditures of USD 112 and USD 398 in 2016, respectively.

Healthcare Industry Segments and Scale

The Indian healthcare industry has five key functional sub-sections: healthcare delivery is the largest segment, followed by the pharmaceutical, medical devices, diagnostics and healthcare insurance segments.
The following chart sets forth India's healthcare industry size by segment in the financial year 2016:



Overview of India's Diagnostic Market

From the financial year 2015 to the financial year 2018, the Indian diagnostic industry is estimated to grow at a CAGR of approximately 16.5% to approximately Rs. 596 billion (USD 9.1 billion) in the financial year 2018. For the next two years, India's diagnostic industry is expected to grow at a CAGR of approximately 16% to reach approximately Rs. 802 billion (USD 12.3 billion) in the financial year 2020. Within the diagnostics market, the pathology segment is estimated to contribute approximately 58% of total market, by revenue, in the financial year 2018, while the remaining 42% is estimated to be contributed by the radiology segment.

India's Diagnostic Industry Segments

The diagnostic industry in India can be classified into pathology testing services and imaging diagnostic services. Pathology testing or in-vitro diagnosis involves the collection of samples, in the form of blood, urine and stool and analyzing them using laboratory equipment and technology to arrive at useful clinical information, in order to assist with the treatment of patients' diseases. The pathology testing segment includes biochemistry, immunology, hematology, urine analysis, molecular diagnosis and microbiology. Imaging diagnosis or radiology involves imaging procedures such as x-rays and ultrasounds, which help mark anatomical or physiological changes inside a patient's body, in order to assist doctors to diagnose a patient's disease. The imaging diagnostic segment also includes more complex tests, such as computed tomography ("CT") scans and magnetic resonance imaging ("MRIs") and highly specialized tests, such as positron emission tomography ("PET")-CT scans. Pathology testing is often the preferred first line of diagnosis for a majority of diseases and thus contributes to a major portion of the diagnostic industry. Given the high volumes of pathology testing conducted in India, it accounts for more than half of the revenue of the Indian diagnostic industry. The pathology business is highly scalable as blood samples can be shipped to a remote, centralized location to achieve economies of scale. In contrast, imaging business operators have to install diagnostic equipment close to the patient. Imaging services cannot be centralized and, as a result, are difficult to scale up.

INDUSTRY OVERVIEW

The urban population of India (approximately 28% of India's total population) contributes up to 65% of the total revenues of the diagnostics industry.

Urban areas typically have better healthcare infrastructure in form of hospitals, clinics and diagnostic centers, along with greater penetration of the private sector in the healthcare space. Also, higher disposable incomes have made diagnostic tests more affordable along with increasing literacy rates which have resulted in the urban population availing better facilities.

The Preventive and Wellness Segment

The overall market for wellness and preventive diagnostics was 7 to 9% in the financial year 2018. It is expected that this segment will grow at a CAGR of approximately 20% over the next three financial years. Higher literacy levels are expected to increase awareness of preventive and curative healthcare and in turn boost the demand for diagnostic services. Also, the corporate sector is focusing more on the well-being of their employees, promoting them to undergo preventive and wellness tests. This will further support the growth of the preventive and wellness segment and the diagnostic sector as a whole.

Outlook on the Diagnostic Industry

Diagnostics industry remains highly fragmented

Standalone centers dominate the diagnostic market with a 47% share, while hospital-based laboratories have a 37% market share. Diagnostic chains have a 16% market share and are further split into pan-India chains and regional chains. There are very few pan-India chains, which together have a share of approximately 35 to 40% of the organized diagnostic market. Regional chains constitute the rest of the market.

Intense competition in the industry

The diagnostics industry is highly competitive with the presence of standalone centers, hospital-based laboratories and diagnostic chains. Hospital based laboratories have the advantage of a captive patient base (inpatient and outpatient). They also offer various wellness packages and home sample collection services. Regional chains and standalone centers have a strong local brand name and hence offer competition to diagnostic chains. However, with inherent cost efficiencies in their business model, diagnostic chains are able to offer competitive prices as compared with other service providers. Also, standalone centers may have limited test offerings and the perceived quality of testing may not be as good as that of an established chain.

Diagnostic chains to continue to acquire market share of standalone centers

Diagnostic chains have grown rapidly with the emergence of pan-India players. Diagnostic chains have been able to maintain rapid growth by opening more collection centers, which has helped them improve their asset utilization. Moreover, large chains have higher bargaining power that allows them to keep their input costs (bulk purchase of reagents) lower than standalone centers. Standalone centers also tend to lose out on some business on account of the unavailability of complex tests and the perception that the quality of services may not match that provided by branded chains. In last few years there have been quite a few acquisitions in this space with larger players buying smaller players in order to gain market share. All these will lead to diagnostic chains continuing to acquire market share of standalone centers.

COMPANY OVERVIEW

Metropolis is one of the leading diagnostics companies in India, by revenue, as of March 31, 2018. Company have widespread presence across 19 states in India, as of December 31, 2018, with leadership position in west and south India. Through widespread operational network, compnay offer a comprehensive range of clinical laboratory tests and profiles, which are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of the disease. Company also offer analytical and support services to clinical research organizations for their clinical research projects. During the nine months period ended December 31, 2018, company has conducted approximately 12.3 million tests from approximately 6.6 million patient visits as compared to approximately 16.0 million tests from approximately 7.7 million patient visits during the financial year 2018.

Company offer a broad range of approximately 3,487 clinical laboratory tests and 530 profiles, as of December 31, 2018. The profile comprises of a variety of test combinations which are specific to a disease or disorder as well as wellness profiles that are used for health and fitness screening. Company classify their tests into (i) 'routine' tests such as blood chemistry analyses, blood cell counts and urine examination; (ii) 'semi-specialized' tests such as thyroid function tests, viral and bacterial cultures, histology, cytology and infectious disease tests; and (iii) 'specialized' tests such as tests for coagulation studies, autoimmunity tests, cytogenetics and molecular diagnostics. Company is focused on providing reliable test results as well as value-added services such as home collection of specimens and online access to test reports. Company also offer customized wellness packages to their institutional customers as per their requirement. Their patient centric approach is a critical differentiator which results in several individuals and healthcare providers choosing as their diagnostic healthcare service provider.

Company service network caters to individual patients as well as institutional customers. Company service individual patients through 1,631 patient touch points (out of which 26 are located outside India), as of December 31, 2018, including 256 patient service centers owned by us ("Owned PSCs") and 1,375 third party patient service centers ("Third Party PSCs"). Comany service their institutional customers through approximately 9,552 institutional touch points, as of December 31, 2018, including (i) approximately 9,000 pick-up points; and (ii) 552 assisted referral centers ("ARCs") (out of which seven are located outside India), which are their exclusive third party referral centers.

Company have been awarded the tender by the National Aids Control Organization ("NACO") to collect specimens from 525 government-owned antiretroviral therapy (ART) centers and conduct HIV-1-Viral load tests. Company also offer analytical services and support services such as logistics and electronic data interchange ("EDI") to contract research organizations for their clinical research projects.

Company revenue from operations outside India was Rs.400.10 million and Rs. 520.72 million, which accounted for 7.15% and 8.09% of their revenue from operations for the nine months period ended December 31, 2018 and financial year 2018, respectively. Outside India, Compnay have laboratory operations in Ghana, Kenya, Zambia, Mauritius and Sri Lanka. In addition, they have also entered into agreements with third parties for collection and processing of specimens in Nepal, Nigeria, UAE and Oman. As of December 31, 2018, they have an operational network of 10 clinical laboratories, 26 patient touch points and seven ARCs, outside India.

The table below shows key financial and operational metrics:

Particulars	As of and for the nine months period ended December 31, 2018	As of and for the year ended March 31, 2018	As of and the for the year ended March 31, 2017	As of and for the year ended March 31, 2016
Clinical laboratories	115	106	95	89
Number of patient visits (in million)	6.6	7.7	7	6.9
Total number of patient touch points:	1,631	1,130	579	277
Number of Owned PSCs	256	251	223	160
Number of Third Party PSCs	1,375	879	356	117
Total number of institutional touch points (approximately):	9,552	9,020	7,308	6,651
Number of pick-up points (approximately)	9,000	8,500	7,000	6,500
Number of ARCs	552	520	308	151
Number of tests performed (in million) (approximately)	12	16	14.3	13.4
Number of tests/profiles per patient vi	1.86	2	2.04	1.94
Revenue per test/profiles (in Rs.)	455	402	380.9	354.8
Revenue per patient visit (in Rs.)	847	836	778.2	689

Details of Equity Shares pledged by Promoters

Name of Promoter	Pledgee	Number of Equity Shares held	Maximum number of Equity Shares to be pledged	% of the pre-Offer Equity Share capital
Dr. Sushil Kanubhai Shah	In favour of security trustee – Vistra ITCL (India) Limited	9,997,580	3,725,245	7.42
Ameera Sushil Shah	In favour of security trustee – Vistra ITCL (India) Limited	181,845	181,845	0.36
Metz Advisory LLP	In favour of security trustee – Vistra ITCL (India) Limited	14,630,120	1,160,071	2.31
Total		24,809,545	5,067,161	10.09

Competitive Strengths

Strong and established brand with a focus on quality and customer service

Company focus on quality has been critical in individuals and healthcare providers choosing as their diagnostic healthcare service provider. GRL holds accreditation from the College of American Pathologists (“CAP”) Laboratory Accreditation Program, which is one of the main accreditations in their industry. As of December 31, 2018, 25 of their clinical laboratories hold one or more of CAP, Kenya Accreditation Service, International Laboratory Accreditation Cooperation, Asia Pacific Laboratory Accreditation Cooperation or National Accreditation Board for Testing and Calibration Laboratories (“NABL”) accreditations. Majority of the machines used in their clinical laboratories are approved by the US FDA and/or CE.

Customer service is a critical differentiator across all stages of their operations. For instance, they have increased scope of home collection service to 197 cities in India, as of December 31, 2018. For the convenience of their patients, company have developed a mobile application for scheduling house calls, accessing test reports, receiving test reminders as well as making online requests for billing information. Company offer their patients a detailed test report which covers result trend analysis and patient specific interpretations and comments by their doctors in some cases. Company also have a policy of ensuring conclusive diagnosis to their patients, even if it involves incurring additional costs for them, by way of re-checks and repeat specimen analysis.

Robust Information Technology Infrastructure with Focus on Improving Efficiency

Company laboratory operations are supported by a cloud-based information technology platform, while rest of their operations are managed using a centralized SAP platform. Company information technology system allows them to fully integrate and automate processes ranging from registration, bar-coding and billing of specimens to analysis and reporting of test results. Company information technology system enables them to (i) achieve standardization across their operations; (ii) reduce incidence of errors due to human intervention; (iii) monitor technical operations; (iv) closely track their key performance metrics; and (v) provide convenience to their patients and customers, by allowing them to book appointments, complete registration and access test reports online. Company information technology infrastructure is scalable and has been designed to support the growth of their business and help ensure reliability of their operations as well as the security of customer information.

Experienced Senior Management Team and Qualified Operational Personnel

Company is a promoter led, professionally managed company. Company Promoter and Chairman, Dr. Sushil Shah, has more than three decades of experience in pathology business, and his vision is critical to ‘Metropolis’ becoming one of the leading healthcare brands in India. Compnay Promoter and Managing Director, Ms. Ameera Shah, has more than two decades of experience in pathology business in a variety of roles including finance, strategy, innovation and investor relations. Ms. Ameera Shah has been instrumental in the growth of their business to one of India’s leading diagnostics companies. Company have a strong management team led by their Chief Executive Officer, Vijender Singh, who has significant industry experience. Compnay senior management team also includes their Group President, Science & Innovation, Dr. Nilesh Shah and their Chief Financial Officer, Tushar Karnik. Additionally, Company have a team of approximately 196 doctors and pathologists and 2,236 scientific officers and phlebotomists, including third-party consultants, as of December 31, 2018. In addition, the knowledge and experience of the team members provides the company with a significant competitive advantage as they seek to grow their business.

Established track record of successful acquisition and integration in India and overseas

Company have a track record of acquiring and successfully integrating companies to grow their portfolio of laboratory and service network. They have acquired several companies since 2002, which includes established local chains such as Sudharma Metropolis Health Services Private Limited in Kerala and Golwilkar Metropolis Health Services (India) Private Limited in Pune as well as companies outside India.

The table below sets forth an indicative list of some of key acquisitions and their performance :

Acquired Companies	Year of Acquisition	Revenue for the Financial Year 2014 or at the time of acquisition (whichever is later) (Rs. in million)	Revenue for the Financial Year 2018 (Rs. in million)	Revenue for the Nine Months ended December 31, 2018 (Rs. in million)
Sudharma Metropolis Health Services Private Limited	2002	310.58	475.04	377.88
Golwilkar Metropolis Health Services (India) Private Limited	2005	299.69	446.99	N.A.3
Desai Metropolis Health Services Private Limited	2007	128.19	253.39	224.47
R.V. Metropolis Diagnostics & Healthcare Centre Private Limited	2008	148.17	345.3	277.58
Dr. Patel Metropolis Healthcare Private Limited	2012	45.12	103.04	103.85
Note: 1)Revenue for the financial year 2014 has been determined under Indian GAAP.				
2) Revenue for the nine months period ended December 31, 2018 has been determined under Ind AS.				
3)Golwilkar Metropolis Health Services (India) Private Limited merged into our Company with effect from September 8, 2018.				

Financials Snap Shot

Income Statement

Y/E March (Rs in Crores)	FY16	FY17	FY18	9MFY19
Revenue (Net)	475.47	544.72	643.57	559.31
Other Income	15.17	22.94	7.99	7.51
Total Revenue	**490.63**	**567.66**	**651.56**	**566.82**
Laboratory testing charges	3.15	2.47	5.68	3.85
Cost of material consumed	124.59	135.10	145.90	129.67
Employee benefits expense	108.18	127.70	147.37	133.72
Other expenses	113.07	127.51	172.09	148.85
Total Expenses	**348.98**	**392.78**	**471.03**	**416.08**
EBITDA	**141.65**	**174.88**	**180.53**	**150.74**
Depreciation	16.64	17.23	19.02	14.61
EBIT	**125.01**	**157.66**	**161.51**	**136.12**
Finance Costs	0.80	0.39	1.21	0.46
Profit before Tax	**124.21**	**157.27**	**160.30**	**135.67**
Exceptional item	0.0	0.0	0.0	0.0
Total tax expense	45.57	52.66	50.55	45.85
PROFIT AFTER TAX	**78.65**	**104.60**	**109.75**	**89.81**
Share in Profit/(Loss) of Joint Ventures	3.31	2.65	0.00	-1.04
Profit For the Period/Year After Tax	**81.96**	**107.26**	**109.75**	**88.77**

Key Ratios

Y/E March	FY16	FY17	FY18	9MFY19
EPS	16.34	21.38	21.88	17.69
Book Value Per share	58.58	68.60	85.54	93.74
Valuation(x)				
P/E (Upper Band)	53.87	41.16	40.23	-
P/E (Lower Band)	53.69	41.02	40.09	-
Price / Book Value	15.02	12.83	10.29	9.39
EV (crs)	4383	4376	4356	4343
EV/Sales	9.22	8.03	6.77	-
EV/EBITDA	30.94	25.02	24.13	-
Profitability Ratios				
RoE	27.9%	31.2%	25.6%	-
RoCE	42%	46%	38%	-
PAT Margin(%)	17.24	19.69	17.05	15.87
Liquidity Ratios				
Interest Coverage Ratio	156.7	407.4	133.7	297.2
Current Ratio	2.48	1.88	3.32	3.27

Balance Sheet

Y/E March (Rs in Crores)	FY16	FY17	FY18	9MFY19
Share Capital	9.54	9.54	9.54	10.04
Reserves	269.18	313.63	405.22	458.00
Non Controlling Interest	15.16	20.98	14.36	2.28
Net Worth	**293.88**	**344.16**	**429.13**	**470.32**
Financial liabilities				
Borrowings	0.46	0.36	0.20	0.08
Other financial liabilities	0.29	8.66	2.43	2.51
Provisions	2.44	3.15	3.52	3.24
Deferred tax liabilities (net)	7.89	6.97	4.44	2.94
Non - current liabilities	**11.08**	**19.15**	**10.60**	**8.77**
Financial liabilities				
Borrowings	0.44	0.40	0.37	0.25
Trade payables	32.81	35.91	35.34	44.13
Other financial liabilities	22.92	88.35	34.71	38.90
Other current liabilities	21.09	14.10	7.72	6.29
Provisions	3.67	3.68	4.37	6.44
Current tax liabilities	10.03	9.43	8.11	8.78
Current liabilities	**90.96**	**151.86**	**90.61**	**104.79**
Total Liabilities	**395.92**	**515.16**	**530.34**	**583.88**
Property, plant and equipment	105.60	105.16	112.30	114.11
Capital work-in-progress	0.6	1	-	-
Goodwill	35.10	82.46	78.37	78.57
Other intangible assets	0.96	14.74	16.77	18.03
Intangible assets under development	-	-	-	3.44
Equity accounted investees	5.39	6.03	0.01	0.91
Financial Assets	10.10	7.72	13.41	14.13
Deferred tax assets (net)	5.25	3.43	5.30	3.57
Other non-current assets	5.84	8.58	1.96	2.53
Non-current tax assets (net)	1.81	0.98	1.67	5.92
Non-current assets	**170.60**	**230.04**	**229.78**	**241.21**
Inventories	15.57	14.13	21.19	27.49
Trade Receivables	70.20	80.29	100.68	138.59
Investments	94.24	134.05	100.42	76.23
Cash and cash equivalents	26.83	25.51	43.47	53.38
Bank Balances other than cash	6.76	15.00	16.67	19.64
Loans	7.25	9.61	10.82	13.24
Other current financial asset	0.55	0.55	1.35	5.72
Current Tax Asset (Net)	0.26	0.10	0.25	0.48
Other current assets	3.64	5.89	5.71	7.90
Total Current assets	**225.32**	**285.12**	**300.56**	**342.66**
TOTAL Assets	**395.92**	**515.16**	**530.34**	**583.88**

Cash Flow Statement

Y/E March (Rs in Crores)	FY16	FY17	FY18	9MFY19
Profit / (Loss) before tax	127.52	159.92	160.30	134.63
Adjustments for:				
Depreciation and amortization expense	16.64	17.23	19.02	14.61
(Profit)/ Loss on sale of property plant and equipments (net)	0.52	-0.14	-0.27	-0.08
Gain on redemption of mutual fund investments	-17.08	-13.59	-6.73	-
Loss / ((Profit) on sale of subsidiary	-0.60	-	1.84	-
Profit on sale of Joint Venture	-	-7.06	-	-
Provision for doubtful advances written back	-	-0.94	-	-
Provision for bad and doubtful debts	2.38	2.35	3.47	3.22
Provision for bad and doubtful advances	0.59	-	0.03	0.04
Foreign exchange loss (gain) (net)	0.81	1.08	0.38	-0.83
Employee share based payment expense	0.00	0.04	1.66	0.66
Bad debts written off	0.76	0.44	1.16	0.12
Interest Income	-1.60	-5.01	-2.37	-3.08
Loss on impairment of Goodwill	-	-	2.75	-
Changes in fair value of current investments	6.18	7.49	3.59	-2.53
Dividend income from mutual fund	-1.50	-2.62	-1.64	-0.78
Fair value of equity accounted investment	-	-	0.25	-
Share of Loss of equity accounted investment	-3.31	-2.65	-	1.04
Interest expense	0.80	0.39	1.21	0.46
Operating Profit before working capital	**132.11**	**156.92**	**184.65**	**147.47**
(Increase) / Decrease in loans	-0.75	1.93	-0.54	-2.07
(Increase) / Decrease in inventories	0.35	1.10	-5.41	-6.30
(Increase) in trade receivables	-10.81	-8.25	-20.40	-40.41
Decrease/(Increase) in other assets	-0.24	-1.11	0.26	-7.35
Increase in provisions	0.50	0.21	0.06	2.44
Increase/(Decrease) in trade payables	4.98	4.41	-1.79	8.79
Increase/(Decrease) in other financial liabilities	4.17	0.23	2.47	-4.52
Increase/(Decrease) in other liabilities	1.38	-2.42	2.20	4.19
Cash generated from operations	**131.69**	**153.02**	**161.50**	**102.23**
Income Tax Paid	-40.28	-51.27	-57.57	-49.64
Net cash from operating activities (A)	**91.42**	**101.75**	**103.93**	**52.59**
Net cash from / (used in) investing activities (B)	**96.36**	**-85.79**	**1.88**	**4.09**
Net cash from / (used in) financing activities (C)	**-173.76**	**-17.30**	**-87.30**	**-47.50**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	**14.01**	**-1.33**	**18.51**	**9.18**
Cash and cash equivalents at the beginning of the Year	**12.89**	**26.83**	**25.51**	**43.47**
Cash and cash equivalents at the end of the Year	**26.83**	**25.51**	**43.47**	**53.38**

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