

COMPREHENSIVE IPO ANALYSIS

windlas

WINDLAS BIOTECH LTD.



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IPO DETAILS – ISSUE SIZE AND PERIOD

Issue Period

4-Aug-2021 to 6-Aug-2021

Issue Size

Initial Public offer of **Rs. 165 Crore as fresh issue** and
Offer for sale (OFS) of 51,42,067 equity shares by by existing shareholder;
75% of the offer size has been reserved for **qualified institutional buyers**,
15% for non-institutional bidders, and
10% for retail investors.

Issue Size

Fresh Issue	~ Rs. 165 Crore
Existing Shareholder	~ Rs. 236 Crore
Total	~ Rs. 401 Crore

Price Range

Rs. 448 - 460

IPO DETAILS – Object and Important dates

OBJECT OF THE ISSUE

SN	Particulars	Amt. (Cr.)
A	Purchase of Equipment	50.00
B	Working Capital	47.50
C	Repayment of borrowings	20.00
D	General Corporate Purpose	*

- The net proceeds from fresh issue will be utilised for purchase of equipment required for capacity expansion of existing facility at Dehradun Plant – IV,
- Addition of injectables dosage capability at existing facility at Dehradun Plant-II;
- Incremental working capital requirements; repayment of certain of borrowings; and general corporate purposes.

IMPORTANT DATES

IPO OPEN DATE	04-08-2021
IPO CLOSE DATE	06-08-2021
ALLOTMENT DATE	11-08-2021
CREDIT OF SHARES TO DEMAT A/C	13-08-2021
IPO LISTING DATE	17-08-2021

Retail Investor Maximum and Minimum bidding

	Lots	Shares	Amount (Cut-off)
Minimum	1	30	₹ 13,800
Maximum	14	420	₹ 1,93,200

MANAGEMENT PROFILE



Ashok Kumar Windlas

Ashok is the Wholetime Director, Promoter and founder of the company. He plays a significant role in the administration, legal and engineering functions of our Company



Hitesh Windlass

Hitesh is the Managing Director of the Company. He set up the Domestic Trade Generics, OTC Brands and Exports SBVs and plays a significant role in driving the technical operations, quality, R&D, manufacturing strategy and financial strategy of our Company.



Komal Gupta

Komal is the CFO of the Company. She has rich experience in finance, Prior to Windlas, she has worked at Perfect Circle India Ltd, Anand Automotive Systems Ltd, and DSM Sinochem

SHAREHOLDING PATTERN

Name	No. of Equity shares	% of Pre-Offer equity share
Promoters		
Promoter Trust	83,81,340	46.03
Ashok Kumar Windlass	44,00,000	24.17
Hitesh Windlass	3	Negligible
Manoj Kumar Windlass	3	Negligible
Total (A)	1,27,81,346	70.2
Promoter Group		
Vimla Windlass*	14,20,000	7.8
Prachi Jain Windlass	3	Negligible
Payal Windlass	3	Negligible
Total (B)	14,20,006	7.8
Total (C=A+B)	1,42,01,352	78
Investors		
Tano India Private Equity Fund II	40,06,067	22
Total	1,82,07,419	100

- Promoter Ashok Windlas and Hitesh Windlas holds a 70.2% stake in the company.
- Promoter group's shareholding currently stands at 7.8%.
- Total Promoter and Promoter group holding is 78%
- Single investor Tano India Private Equity Fund II holds 22% stake.

FINANCIAL HIGHLIGHTS

The company reported profit at Rs 15.6 crore on revenue of Rs 427.6 crore in FY21 and profit of Rs 16.2 crore on revenue of Rs 328.9 crore in FY20.

Revenue from operations increased by 30.03 percent from Rs 328.85 crore in FY20 to Rs 427.6 crore in FY21

Earnings before interest, tax, depreciation and amortisation (EBITDA) also increased by 60.35 percent from Rs 34 crore in FY20 to Rs 54.52 crore in FY21

The company has been able to continue its growth despite the operating restrictions/ lockdown imposed on account of the Covid-19 pandemic

FINANCIALS

Profit & Loss account

Particulars	FY2019	FY2020	FY2021
Revenue from Operations	307.3	328.9	427.6
Expenses			
Cost of Materials Consumed	191.9	211.6	274.4
Employee benefits expense	43.0	43.6	58.3
Other expenses	33.9	32.2	40.2
Excise Duty	0.0	0.0	0.0
Total expenses	268.8	287.4	372.9
EBITDA	38.5	41.5	54.7
EBITDA margin(%)	12.5	12.6	12.8
Depreciation & amortisation	10.6	9.3	13.0
EBIT	27.9	32.2	41.7
Finance costs	4.8	2.5	1.3
Other income	4.3	2.5	3.1
PBT	27.3	32.1	43.5
Share of Gain / (Loss) in JV	(0.3)	(7.5)	0.0
Share of Gain / (Loss) in Associate Company	(0.5)	0.0	(0.2)
Exceptional Item	49.5	0.0	(21.6)
Profit Before Tax	76.1	24.7	21.7
Tax Expense			
Current Tax	12.0	8.6	4.8
Deferred Tax	0.3	(0.1)	1.3
Total tax expense	12.3	8.5	6.2
Profit for the Year	63.8	16.2	15.6

Source: RHP; PAT for FY21 includes exceptional expenses of RS 21.6 cr while PAT for FY19 has exceptional income of Rs 49 cr | Sharekhan

Strengths and strategies of the company

STRENGTHS

It is amongst the top five players in the domestic pharmaceutical formulations CDMOs in terms of revenue, with focus on the chronic therapeutic category.

It has an innovative portfolio of complex generic products supported by robust research & development (R&D) capabilities. It has an efficient and quality compliant manufacturing facilities with significant entry barriers.

It currently owns and operates four manufacturing facilities located at Dehradun in Uttarakhand. It has an aggregate installed operating capacity of 706.38 crore tablets/capsules, 5.44 crore pouch/ sachet and 6.108 crore liquid bottles.

It has developed relationships with leading Indian pharmaceutical companies, including Pfizer, Sanofi India, Cadila Healthcare/ Zydus Healthcare, etc

STRATEGIES

It intends to capitalize on expansion opportunities by leveraging leadership position in the CDMO industry.

It intends to continue to grow CDMO customer base. It intends to expand product portfolio and delivery systems by enhancing R&D and manufacturing capabilities.

Increase branding and marketing initiatives to promote the Krsnaa brand further. Continue to improve profitability and efficiency

Augment growth by pursuing selective acquisitions and strategic alliances.

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