



## DATA PATTERNS (INDIA) LIMITED

## IPO NOTE

## ISSUE KEY HIGHLIGHTS

PRICE*:	Rs.555– Rs.585	ISSUE OPENS:	14 <sup>th</sup> Dec 2021
ISSUE SIZE:	Rs.588 crores	ISSUE CLOSE:	16 <sup>th</sup> Dec 2021

Particulars	No of Shares @ Higher Band (Cr)	No of Shares @ Lower Band (Cr)	%age	Higher band Amount (`Cr)	Lower band Amount (`Cr)
QIB	0.50	0.51	50%	294.11	285.18
NIB	0.15	0.15	15%	88.23	85.55
Retail	0.35	0.36	35%	205.88	199.63
<b>Total Issue</b>	<b>1.01</b>	<b>1.03</b>	<b>100%</b>	<b>588.22</b>	<b>570.37</b>

## Issue Details:

Industry	Aerospace and Defense
Promoters:	Srinivasagopalan Rangarajan and Rekha Murthy Rangarajan
Capital Structure:	
Fresh Issue (@Higher Band)	Rs. 240 Cr.
Offer for Sale (@Higher Band)	Rs. 348 Cr.
Post Issue No. of Shares @ Higher Band (Cr.)	5.2
Post Issue Market Cap @ Higher Band (Rs. Cr.)	3,035
Total Issue as % of total capital (Post-Issue) (@Higher Band)	19.38%
Face Value	2
Issue Route	Book Build Issue
Bid Lot (Shares)	25
Lead Managers	JM Financial, IIFL Securities
Registered Office	Chennai
Registrar	Link Intime India Pvt. Ltd.
Listing	BSE and NSE
Key Investment Details for Retail Investors: (UPI or ASBA)	
Min No. of Shares application	25
Amount on the Min. Application (Rs.)	₹14,625

## An Indicative timetable post issue closing:

Particulars	On or about
Finalization of Basis of Allotment	21-Dec-2021
Refunds/un-blocking of ASBA Accounts	22-Dec-2021
Credit of Equity Shares to DP Ac	23-Dec-2021
Trading Commences	24-Dec-2021

## Shareholding %:

Particulars	Pre-Issue	Post Issue
Promoters	58.63	45.62
Public	41.37	54.38
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

## Objects of the Offer:

Objects	Amt (Rs.Cr)
• Prepayment or repayment of all, or a portion, of certain outstanding borrowings availed by the company;	60.80
• Funding working capital requirements of the company;	95.19
• Upgrading and expanding the existing facilities at Chennai;	59.84
• General Corporate Purposes	[.]
<b>Total</b>	<b>[.]</b>

## Business Overview:

- **Data Patterns (India) Limited (“Data Patterns”)** was incorporated on November 11, 1998. The company is among the few vertically integrated defence and aerospace electronics solutions provider catering to the indigenously developed defence products industry. With net profitability growth of approximately 164% between Fiscal 2020 and Fiscal 2021, they are one of the fastest growing companies in the Defence and Aerospace Electronics sector in India.
- Their offerings cater to the entire spectrum of defence and aerospace platforms – space, air, land and sea.
- Data Patterns has design capabilities across the entire spectrum of strategic defence and aerospace electronics solutions including processors, power, radio frequencies (“RF”) and microwave, embedded software and firmware and mechanical engineering.
- Data Patterns has end-to-end capabilities to build and deliver complete systems. Their electronic solutions are developed by specialist teams working on areas including complex 20+ layer printed circuit board (“PCB”) designs, field-programmable gate arrays (“FPGA”) based firmware algorithms, all layers of software including operating system porting, device drivers, networking layers, application software, graphical user interface, cartography, signal processing, streaming protocols and waveform engineering.
- Their design and development capabilities have allowed them to **develop complete systems as well as sub-systems for various strategic defence and aerospace electronics solutions**. These systems have found applications on various platforms and programmes such as the Tejas Light Combat Aircraft (“LCA”), the Light Utility Helicopter (“LUH”), **BrahMos** missile programme, precision approach radars and various communications intelligence (“COMINT”) and electronic intelligence (“ELINT”) systems.
- Between Fiscal 2019 and Fiscal 2021, they recorded the highest growth in the revenues of 71%. Also, in Fiscal 2021, they recorded the highest EBIDTA margin, ROCE and ROE amongst key Indian defence and aerospace companies.

## Brief Financial Details\*:

(₹ In Cr)

Particulars	As at Sep’ 30,		As at Mar’ 31,		
	2021(06)	2020(06)	2021(12)	2020(12)	2019(12)
Equity Share Capital	9.35	1.70	1.70	1.70	1.70
Reserves	206.98	145.23	205.77	151.50	130.89
Net worth as stated	216.32	146.93	207.47	153.19	132.59
Revenue from Contract	96.45	44.48	223.95	156.10	131.06
Revenue Growth (%)	116.84%	-	43.47%	19.11%	-
EBITDA as stated	38.55	3.34	94.59	47.25	26.99
EBITDA (%) as stated	39.67%	7.28%	41.75%	29.50%	20.37%
Profit Before Tax	30.78	(6.42)	74.53	28.43	10.36
Net Profit for the period	23.21	(6.38)	55.57	21.05	7.70
Net Profit (%) as stated	23.88%	-13.90%	24.53%	13.14%	5.81%
EPS (₹)	4.97 <sup>^</sup>	(1.36) <sup>^</sup>	11.89	4.50	1.65
RONW(%)	10.73% <sup>^</sup>	(4.34)% <sup>^</sup>	26.79%	13.74%	5.81%
NAV (₹)	46.28	31.43	44.38	32.77	28.37
ROCE (%)	13.41%	0.30%	34.69%	23.39%	12.45%

Source: RHP \*Restated Statement; Reserve excluding Capital Reserve, EPS and NAV calculated on increase share capital. <sup>^</sup>not annualised;

## Offer Details:

Fresh Issue	No. of Shares
Fresh Issue (₹ 240 Cr)	Upto 4,324,324~ - 4,102,564^ Equity Shares
<b>The Offer for Sale by:</b>	<b>Upto 5,952,550 Equity Shares</b>
Srinivasagopalan Rangarajan– Promoter Selling Shareholder	Upto 1,967,013 Equity Shares
Rekha Murthy Rangarajan – Promoter Selling Shareholder	Upto 1,967,012 Equity Shares
G.K. Vasundhara – Promoter Group Selling Shareholder	Upto 414,775 Equity Shares
Individual Selling Shareholders	Upto 1,528,750 Equity Shares
Sudhir Nathan - Other Selling Shareholders	Upto 75,000 Equity Shares

(~ at lower price band and ^ upper price band)

## Details of Pre- IPO Placement of ₹ 60 Cr:

The company has undertaken a Pre-IPO Placement of **1,039,861 Equity Shares** at a price of ₹ 577/- per share, aggregating to ₹ 60 crore as under:

Name of the Entity	No. of Equity Shares	Amount (₹ Cr)
IIFL Special Opportunities Fund – Series 7	259,965	15
Ashoka India Equity Investment Trust PLC	173,310	10
Axis Small Cap Fund	606,586	35
<b>Total</b>	<b>1,039,861</b>	<b>60</b>

## Revenue From Operations:

Product Category	6 months ended Sep' 30				Fiscal					
	2021		2020		2021		2020		2019	
	Amount ₹ Cr	% of Total	Amount ₹ Cr	% of Total	Amount ₹ Cr	% of Total	Amount ₹ Cr	% of Total	Amount ₹ Cr	% of Total
Sale of Products	87.43	90.65%	39.52	88.86%	196.16	87.59%	143.02	91.62%	114.85	87.63%
Sale of Services	9.02	9.35%	4.95	11.14%	27.79	12.41%	13.08	8.38%	16.21	12.37%
<b>Total Revenue from Operations</b>	<b>96.45</b>	<b>100.00%</b>	<b>44.48</b>	<b>100.00%</b>	<b>223.95</b>	<b>100.00%</b>	<b>156.10</b>	<b>100.00%</b>	<b>131.06</b>	<b>100.00%</b>

## Comparison With Listed Industry Peers (As On 31st March 2021):

Name of the Company	Consolidated / Standalone	Face Value	Revenue from operations FY 2021 (₹ Cr)	Closing Price^ (₹)	(EPS Basic)	NAV^	P/E~	RoNW (%)
Data Patterns (India) Ltd	Restated	2	223.95	[ · ]	11.89	44.38	[ · ]	26.79%
<b>Listed Peer</b>								
MTAR Technologies Ltd	Consolidated	10	246.43	2,184.85	16.99	154.99	83.6	9.66%
Astra Microwave Products Ltd	Consolidated	2	640.91	247.35	3.33	64.51	51.3	5.16%
Centum Electronics Ltd	Consolidated	10	817.43	519.75	13.31	173.14	34.9	5.40%
Bharat Electronics Ltd	Consolidated	1	14,108.69	197.8	8.62	45.39	23.5	18.99%

Source: RHP; Closing market price of equity shares on BSE on November 26, 2021.

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