



DATA PATTERNS

DATA PATTERNS INDIA LTD

IPO NOTE

SUBSCRIBE FOR LISTING GAINS

KEY INFORMATION

IPO DETAILS	
Price Band	Rs 555 to Rs 585
Issue Size	Rs 588.2Cr
Face Value	Rs 2 per share
Market Lot	25 Shares
Listing At	NSE , BSE
Investment Range	Rs 13,875 to Rs 14,685

IPO DATES	
IPO Opens	Dec 14, 2021
IPO Closes	Dec 16, 2021
Basis of Allotment Date	Dec 21, 2021
Refund Initiation	Dec 22, 2021
Shares Credit	Dec 23, 2021
IPO Listing Date	Dec 24, 2021

QUOTA	
QIB	50%
NIB	15%
Retail	35%

Share Holding Pattern	Pre-IPO	Post-IPO
Promoters & P. Group	58.63%	45.62%
Public (Others)	41.37%	54.38%
Total	100%	100%

OFFER DETAILS

IPO SIZE	Rs 588.2 Cr	100%
Fresh Issue	Rs 240 Cr	41%
OFS	Rs 248.2Cr	59%

OBJECTS OF FRESH OFFER

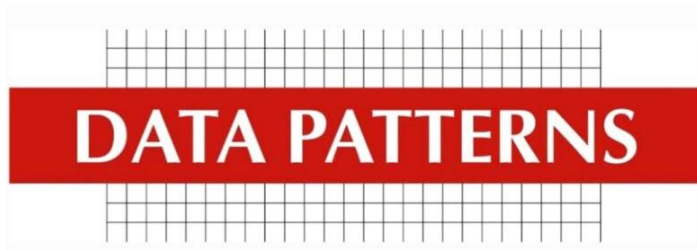
1. Prepayment or repayment of all, or a portion, of certain outstanding borrowings availed by our Company. (Rs 60.8 cr)
2. Funding working capital requirements of our Company. (Rs 95.2cr)
3. Upgrading and expanding our existing facilities at Chennai. (Rs 59.9 cr)
4. General corporate purposes.

RECOMMENDATION

- Company's implied market Capitalization Post Issue is at Rs 3035 Cr. (Upper price band) which brings PE (x) of 54 FY21.
- Data Patterns holds Rs. 582 Cr Order Book. Its 67% of order book build from Production category, provides sustainability & speed growth as compare to Development projects. We believe issue is reasonably priced compared w.r.t. it peers. Hence assign Subscribe Rating and Investors may consider Issue for Listing Gains.

OFFER FOR SELL (OFS)

- The Companies books will not receive any proceeds from the Offer (the "Offer Proceeds") and all the Offer Proceeds (net of any Offer related expenses to be borne by the Selling Shareholders) will be received by the respective Selling Shareholders.



- 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 .

KEY HIGHLIGHTS

- Company has one of the highest returns in Defence segment.

COMPANY PROFILE

- Its 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.

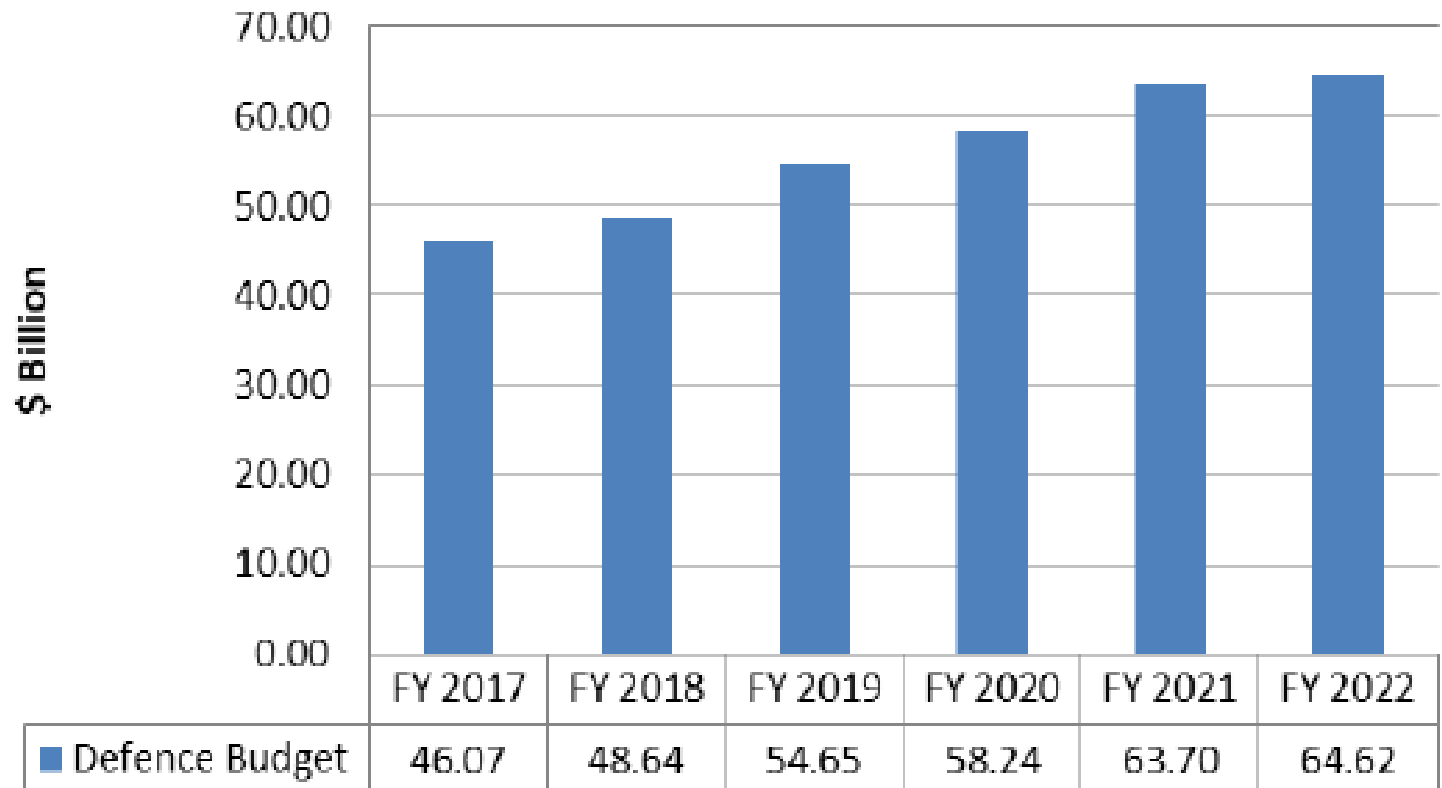
KEY HIGHLIGHTS

- Capital Expenditure contributes 28% in Budget
- India started to focus indigenous made defence equipments.

KEY MARKET GROWTH DRIVERS

Defence Focused Budget : There is a structural shift in the defence budget with increased allocation for modernization funds, and approval of non-relapsable fund. The fund available to the defence industry participants during Fiscal 2022 to Fiscal 2031 is estimated at \$ 339 billion.

Defence Budget Growth



KEY HIGHLIGHTS

KEY MARKET

• defence export is fuelled by various govt initiatives.

•**India Defence Export Growth:** The Indian defence exports are likely to grow at a fast rate due easing of export restrictions and policy changes. This is also being compounded by rising prowess of the Indian defence suppliers. The Indian defence exports are now dominated by the private sector as compared to defence public sector units and are expected to drive revenue opportunities Companies in niche products such as Data Patterns are well positioned to capture the growth in exports.



KEY MANAGMENT

Key management	Position
Srinivasagopalan Rangarajan	Chairman & MD
Rekha Murthy Rangarajan	Whole Time Director
Mathew Cyriac	Nominee Director
Sabitha Rao	Non-Executive Director
Vadlamani Sastry	Independent Director
Sowmyan Rammakrishnan	Independent Director

DATA PATTERN PRODUCTS

Various test equipment indigenously designed and developed by the company



Indigenously developed fire control system for the BrahMos missile programme



Designed and developed the second launch pad countdown system for delivery to the Indian government space organization



Designed and developed Primary Surveillance Radar for coastal surveillance for the Indian government space organization



Developed Seaking automated test equipment for INS Shikra



Laser guided bomb kit tester



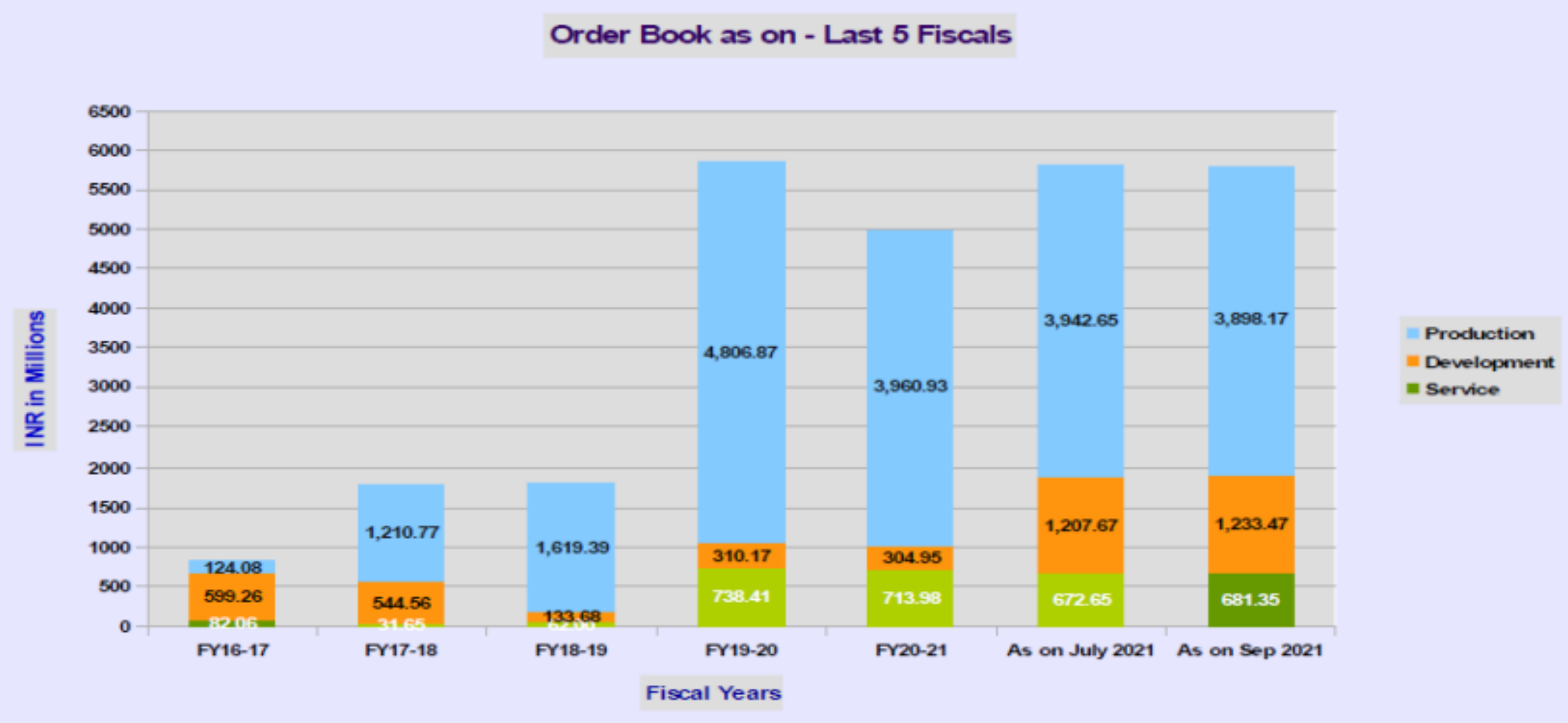
Satellite bus management system



Digital flight control computer

DATA PATTERNS ORDER BOOK OF LAST 5 FISCALS

•Offerings For Governments



ORDER BOOK BREAKUP

Particulars	Order Numbers	Value (Rs Cr)
Radar	20	362.81
Service	53	68.44
Avionic	7	41.02
Communication	2	30.95
Electronic Warfare Suite	4	25.49
ATE	10	24.31
BrahMos Missile	3	18.68
Small Satellite	2	5.27
Naval System	4	4.33
Total	105	581.3

Particulars	Order Numbers	Value (Rs Cr)
Production Contracts	34	389
Development Contracts	19	123
Service Contracts	52	68
Total Order Book	105	581

FINANCIAL PARAMETERS(Rs Cr)

Particulars	FY19	FY20	FY21	H1FY22
Net Revenue	131	156	224	96
COGS	49	56	70	21
Employee Cost	38	42	48	28
Other Exp.	19	15	13	9
EBITDA	26	43	92	38
Depreciation	6	5	6	3
Other Income	1	4	3	1
Interest	11	13	15	5
PBT	10	28	75	31
PAT	8	21	56	23
Networth	133	153	208	217
Total Loans	60	62	33	52
Cash & Bank	0	2	9	8

VALUATIONS

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