

IPO Note

August 16, 2024

Interarch Building Products Limited





Issue Snapshot:

Issue Open: August 19 – August 21, 2024

Price Band: Rs. 850 – 900 (Discount of Rs 85 per share for all eligible employees)

*Issue Size: Up to Rs 600.29 cr (including Fresh issue of Rs 200 cr + Offer for sale of 4,447,630 eq share including employee reservation of upto Rs.2 cr

Reservation for:

QIB	upto	50% eq sh
Non-Institutional	atleast	15% eq sh
((including 1/3 rd for applications between Rs.2 lakhs to Rs.10 lakhs))		
Retail	atleast	35% eq sh

Face Value: Rs 10

Book value: Rs 268.80 (March 31, 2024)

Bid size: - 16 equity shares and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity:	Rs.	14.41 cr
*Post issue Equity:	Rs.	16.64 cr

Listing: BSE & NSE

Book Running Lead Managers: Ambit Private Limited, Axis Capital Limited

Sponsor Bank: HDFC Bank Limited & ICICI Bank Ltd

Registrar to issue: Linkintime India Private Limited

Shareholding Pattern

Shareholding Pattern	Pre issue %	Post issue %
Promoter and Promoter Group	87.53	59.91
Public & Employees	12.47	40.09
Total	100.0	100.0

*=assuming issue subscribed at higher band
Source for this Note: RHP

Background & Operations:

Interarch Building Products Limited (IBPL) is one of the leading turnkey pre-engineered steel construction solution providers in India with integrated facilities for design and engineering, manufacturing, on-site project management capabilities for the installation and erection of pre-engineered steel buildings ("PEB"). It was ranked third in terms of operating revenue from PEB business in the Financial Year 2024 among integrated PEB players in India. The Company further had the second largest aggregate installed capacity of 141,000 metric tonnes per annum ("MTPA") as at March 31, 2024 and a market share of 6.5% in terms of operating income in Financial Year 2024 among integrated PEB players in India. Its PEB offerings are designed, engineered and fabricated by it in accordance with customer requirements, and find use in construction for industrial, infrastructure and building (residential, commercial and non-commercial) end-use applications. It has delivered PEBs for projects ranging from multi-level warehouses for customers engaged in e-commerce to paint production lines for customers engaged in manufacturing of paints and, fast-moving consumer goods ("FMCG") sector for setting up manufacturing units for manufacturing their products. It has also supplied large-span PEBs for indoor stadiums and customers engaged in the cement industry. During the period from Financial Year 2015 to Financial Year 2024 it completed execution of 677 PEB Contracts, thereby demonstrating its extensive track record in the PEB industry.

IBPL offers its PEBs by way of: (a) pre-engineered steel building contracts ("PEB Contracts"), wherein it provides complete PEBs on a turn-key basis to its customers, and as a part of which, it also provide on-site project management expertise for the installation and erection of PEBs supplied by it at its customers' sites; and (b) sale of pre-engineered steel building materials ("PEB Sales"), which includes (i) sale of metal ceilings and corrugated roofing (comprising metal suspended ceiling systems (under the brand, "TRAC®"), metal roofing and cladding. systems (under the brand, "TRACDEK®") and permanent/metal decking (lost shuttering) over steel framing (under the brand, "TRACDEK® Bold-Rib")); (ii) supply of PEB steel structures (comprising, amongst other things, primary and secondary framing systems; as well as complete PEBs, such as non-industrial PEB buildings for non-industrial use, such as farmhouses and residential buildings (under the brand, "Interarch Life") for erection and installation by third party builders/erectors, and (iii) light gauge framing systems ("LGFS").

The Company primarily manufactures its products in-house at its four Manufacturing Facilities, comprising the Tamil Nadu Manufacturing Facilities, Pantnagar Manufacturing Facility, and Kichha Manufacturing Facility. As at March 31, 2024 its Manufacturing Facilities had an aggregate installed capacity of 141,000 MTPA. Its Manufacturing Facilities are supplemented by three dedicated design and engineering centres situated in Noida, Uttar Pradesh, India; Chennai, Tamil Nadu, India; and Hyderabad, Telangana India, which enable it to firstly, offer customized PEBs in accordance with its customers' requirements and, secondly, to continually undertake incremental enhancements and improvements of its processes and design, thereby simultaneously contributing towards enhancement of its design compliance and engineering standards which create efficient PEB designs. IBPL is supported by its dedicated in-house on-site project management team. It has established eight sales and marketing offices in eight cities to cater to its customers across India. It is also in the process of setting-up a manufacturing unit as part of the phase 1 of the Andhra Pradesh Manufacturing Facility and also propose to undertake the Project and also upgrade Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility by utilizing a portion of the Net Proceeds, in order to bolster its manufacturing capacity and capabilities.



Objects of Issue:

The Offer comprises a Fresh Issue aggregating up to Rs 2,000.00 million by IBPL and an Offer for Sale of up to 4,447,630 Equity Shares by the Selling Shareholders.

Offer for sale

Each of the Selling Shareholders will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer expenses and relevant taxes thereon. The Company will not receive any proceeds from the Offer for Sale. The proceeds of the Offer for Sale will be received by the Selling Shareholders and will not form part of the Net Proceeds.

Objects of the Fresh Issue

IBPL proposes to utilize the Net Proceeds towards funding of the following objects:

- Financing the capital expenditure towards setting up a new PEB manufacturing unit (classified as Phase 2 of its capacity development plan at the Planned Andhra Pradesh Manufacturing Facility) (“Project”);
- Financing the capital expenditure towards upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility;
- Funding investment in information technology (“IT”) assets for upgradation of existing information technology infrastructure of the Company;
- Funding incremental working capital requirements; and
- General corporate purposes.

In addition, IBPL expects to achieve the benefit of listing of its Equity Shares on the Stock Exchanges, enhancement of the Company’s visibility and brand name amongst its existing and potential customers and creation of a public market for its Equity Shares in India.

Proposed schedule of implementation and deployment of Net Proceeds

(Rs in million)

S.No	Particulars	Total estimated cost	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds in Fiscal 2025	Amount to be deployed from the Net Proceeds in Fiscal 2026
1	Financing the capital expenditure towards setting up the Project	585.33	585.33	535.5	49.83
2	Financing the capital expenditure towards upgradation of the Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility	192.46	192.46	132.06	60.4
3	Funding investment in information technology assets for upgradation of existing information technology infrastructure of the Company	113.92	113.92	113.92	-
4	Funding incremental working capital requirements	550	550	250	300
5	General corporate purposes	*	*	*	*

Competitive Strengths

Market position and established brand presence in the growing pre-engineered steel building industry in India: IBPL was ranked third in terms of operating revenue from PEB business in the Financial Year 2024 among integrated PEB players in India. The Company further had the second largest aggregate installed capacity of 141,000 MTPA as at March 31, 2024 and a market share of 6.5% in terms of operating income in Financial Year 2024 among integrated PEB players in India. It has eight sales and marketing offices in eight cities to cater to its customers across India. In addition to this, it has stationed sales and marketing employees in Chandigarh in Punjab and Haryana, Lucknow in Uttar Pradesh, Coimbatore in Tamil Nadu, Bhubaneswar in Odisha, and Raipur in Chhattisgarh. During the period from Financial Year 2015 to Financial Year 2024 it completed execution of 677 PEB Contracts, thereby demonstrating its extensive track record in the PEB industry. In 2022, the Company was awarded the ‘Pre-Engineered Building Project of the Year’ award by Construction Week India, the ‘Best Innovation PEB Project Award of the Year’ by BAM awards, and the ‘Pre-Engineered Building Company of the Year’ award by EPC World Awards.

The infrastructure sector’s share in the PEB market, which was 36-38% in Financial Year 2024, is expected to increase to 38-40% by Financial Year 2029. PEBs in the sector include warehouses, cold storage facilities, data centers, power plants, aircraft hangers and railway yards. The sector is expected to grow at a CAGR of 12-14% between Financial Years 2023-2028, led by increased adoption of these buildings in warehouses, cold storage facilities and data centers. Within the overall Indian PEB industry, the top six players have grown at



a faster growth rate in recent years (which can be attributed to higher reliability and capability, high quality raw materials used, good track record for execution and capability to provide innovative and effective solutions to customers) as compared to the rest of the players. IBPL's extensive track record, domain experience, established brand presence and market position, paired with its integrated facilities for design and engineering, manufacture, on-site project management capabilities for installation and erection of PEBs supplied by it, position IBPL to benefit from growth of the PEB industry in India.

Significantly integrated manufacturing operations, backed by in-house design and engineering, on-site project management, and sales and marketing capabilities: IBPL's manufacturing operations are vertically integrated to a significant extent, enabling its presence across the product lifecycle of PEBs, from estimation, designing, engineering, and fabrication of PEBs in completely knock-down condition at its Manufacturing Facilities, to supply and on-site project management of the installation and erection of PEBs at the site of the customer. It primarily manufactures its PEBs at four Manufacturing Facilities – two in Uttarakhand, India and two in Sriperumbudur, Tamil Nadu, India, providing it with manufacturing presence in Northern India and Southern India, respectively. As on March 31, 2024, the aggregate installed capacity of its four Manufacturing Facilities was 141,000 MTPA. Its Manufacturing Facilities have diversified capabilities enabling it to cater to a range of customers and end use applications. With continued investments in its Manufacturing Facilities and design capabilities, it sought to develop a cost-efficient manufacturing process for its products in accordance with the requirements and specifications of its customers. Since the Company's manufacturing capabilities span the spectrum of PEBs from metal ceilings and corrugated roofing to PEB steel structures (each of which are inter-dependent), it is able to emphasize design compatibility, which enhances the overall structural integrity and stability of the entire PEB, contributing to its ability to execute its PEB Contracts.

IBPL's Manufacturing Facilities are supported by dedicated design and engineering centres in Noida, Uttar Pradesh, India; (b) Chennai, Tamil Nadu, India; and (c) Hyderabad, Telangana, India, which enable it to firstly, offer customized PEBs in accordance with its customers' requirements and secondly, to continually undertake incremental enhancements and improvements of its processes and design, thereby simultaneously contributing towards enhancement of its design compliance and engineering standards. The Company has an in-house design and engineering team which includes 119 qualified structural design engineers and detailers, as at March 31, 2024, with an average work experience of 7.66 years in the Company. It has also invested in computer aided design technology to enable its design and engineering team to achieve design and detailing parameters based on its customers' requirements, including Staad Pro, MBS, FrameCad, Tekla, Auto Cad, and ZWCAD. As part of PEB Contracts, it also offers on-site project management of the installation and erection of its PEBs at its customers' sites. As at March 31, 2024, its dedicated project management team comprised 49 project managers, augmented by a network of 65 empanelled and approved builders/erectors who IBPL has identified and scrutinized based on its previous work experience. Overall, the Company relies on its vertically integrated manufacturing operations to provide it with a degree of strategic control across processes from design and engineering to manufacture, to installation and erection of its PEBs at its customers' sites, which in turn assists it in its endeavours to execute orders in a time and cost-efficient manner and reduce external dependencies.

Demonstrated track record of execution backed by on-site project management capabilities: Project management expertise is a pivotal factor in the evaluation of PEB suppliers as the construction industry is usually characterized by time-consuming projects. IBPL relies on its in-house project supervision, on-site project management capabilities for the erection and installation of PEBs supplied by it at its customers' sites to gain a competitive advantage in terms of quality, cost and delivery parameters. Project management expertise becomes extremely important to ensure timely completion and avoid costs overrun and helps with adherence to timelines, budget constraints, and maintaining high-quality standards. Since the commencement of its PEB Contracts business, it has developed its project management capabilities, which enable it to offer PEBs on a turn-key basis to its customers, and accordingly contributes significantly to its ability to acquire new customers.

IBPL's on-site project management capabilities, together with its process-driven operations (comprising set protocols for each of its internal departments specifying the processes to be undertaken, nature of decision making and prevention of delay); its lean corporate structure (which contributes towards its responsiveness and streamlining its decision-making process), and coordination efforts between its internal departments, suppliers and customers have contributed towards its demonstrated track record of executing PEB Contracts, with the Company. IBPL has been able to grow its revenue from operations of Rs. 8,349.43 million in the Financial Year ended March 31, 2022 to Rs. 12,933.02 million in the Financial Year ended March 31, 2024, representing a CAGR of 24.46% and further, have been able to grow its order book from Rs. 8,410.42 million as at March 31, 2022 to Rs. 11,532.90 million as at March 31, 2024.

Diverse customer base and long-standing relationships with significant customers: The PEB market in India can be divided into three broad end-use sectors: (i) industrial/ manufacturing construction, (ii) infrastructure, and (iii) building (residential, commercial and non-commercial). Industrial/manufacturing construction includes manufacturing plants, factories, power plants, and other highly specialized facilities. Infrastructure construction includes warehouses, bridges, dams, roads, airports, canals, etc., and building construction includes constructing buildings for residential uses such as houses, residential towers, etc., as well as non-commercial buildings like hospitals, educational institutions, as well as buildings for commercial use such as offices, retail malls, etc. IBPL's customers under the industrial/manufacturing construction category include Grasim Industries Limited, Berger Paints India Limited, an air conditioner



manufacturer, Timken India Limited and Addverb Technologies Limited and infrastructure construction category includes a warehousing and logistics service provider. It has established long-standing relationships with a number of its customers, including various Customer Groups, which it attributes in part to its emphasis on quality consciousness, cost efficiency, and timely execution. It attributes its long-standing relationships with its customers in part to its emphasis on quality consciousness, cost efficiency, and timely execution. Considering the critical nature of the use cases of its PEBs, its customer standards, requirements and required service levels are stringent, and accordingly, IBPL consider the quality, durability and reliability of its PEBs as essential to maintaining customer relationships.

Demonstrated financial performance and status of order book: IBPL has experienced growth in certain financial indicators during the Financial Years ended March 31, 2022, March 31, 2023, and March 31, 2024, which it attributes in part to its continuing focus on operational efficiency, customer outreach and other sales and market initiatives, improvement in capacity utilization, growth of its order book and increase presence across India, and resultant economies of scale. Such demonstrated growth in financial performance in recent years, positions it for future growth and further diversification of its customer base and offerings. Its balance sheet and positive operating cash flows coupled with low levels of debt enable it to fund its strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. The Company's financial condition is also determinant of its access to performance guarantees, which are critical to its business in the ordinary course. Its track record has in turn contributed to its growing order book, as a result of an enhancement of its reputation and brand image, its ability to acquire new customers, and its ability to successfully win new projects due to improvement in its ability to pre-qualification requirements of customers.

Experienced and qualified Promoters and management team: Business and operations are led by an experienced management team and Board of Directors, who come from diverse backgrounds with experience in various fields such as sales and marketing, order management, design and engineering, purchase, operations, human resources and finance. Additionally, they are supported by a robust management team under the guidance of its Board of Directors, which consists of individuals from various professional backgrounds. Its management framework allows it to maintain the flexibility to address the markets and the geographies it operates in. The Company also has experienced professionals with substantial sectoral experience in significant aspects of its business including, among others.

Business Strategy:

Capitalize on industry tailwinds, including through proposed expansion and upgradation of Manufacturing Facilities: The Indian PEB industry expanded at a CAGR of ~8.0% over Financial Years 2019-2024, growing from Rs.130 billion in Financial Year 2019 to Rs.195 billion in Financial Year 2024. The medium-term outlook is optimistic, with the industry growing at a 11.0-12.0% CAGR between Financial Year 2024-2029 to Rs. 330-340 billion, supported by investments in the industrial and infrastructure sectors such as warehouses and logistics as well as expressways (way-side amenities and toll plazas). The total construction investments in the infrastructure sector is expected to attract investments of approximately Rs.74-76 trillion between Financial Year 2025 – 2029 (projected), up from Rs.46-48 trillion between Financial Year 2020-2024. Additionally, government policies like National Steel Policy aims to increase per capita steel consumption of India and create a technologically advanced and globally competitive steel industry in India to promote self-sufficiency in steel production as well as economic growth.

IBPL's extensive track record and domain experience, established brand presence and market position, paired with its integrated facilities for design and engineering, manufacture, on-site project management capabilities for installation and erection of PEBs supplied by it, position it to benefit from growth of the PEB industry in India. Accordingly, IBPL aims to utilise a portion of the Net Proceeds towards setting-up the Project, and also upgrading its Kichha Manufacturing Facility, Tamil Nadu Manufacturing Facility I, Tamil Nadu Manufacturing Facility II and Pantnagar Manufacturing Facility, in order to bolster its manufacturing capacity and capabilities, thereby enhancing its ability to capitalize on growing demand in the Indian PEB industry.

Expanding geographical footprint to cater to strategic markets in India and overseas: IBPL has Manufacturing Facilities in the two states of Uttarakhand, India and Tamil Nadu, India, three dedicated design and engineering centres situated in Noida, Uttar Pradesh, India; Chennai, Tamil Nadu, India; and Hyderabad, Telangana India, and eight sales and marketing offices in eight cities to cater to its customers across India. It has historically relied upon strategic expansion of its geographical presence, by setting up sales and marketing offices to acquire customers and business in identified target markets. It identifies its target markets based on its internal assessment of existing demand for PEBs in such market, public announcements of significant construction projects in the region and government initiatives favourable to its operations. Building upon the Company's established manufacturing presence in Northern India and Southern India, the Company proposes to enhance its manufacturing presence in South Eastern India and Western India with its planned manufacturing facilities at Attivaram, Andhra Pradesh, India and Kheda, Gujarat, India. The Company has already established sales and marketing offices in West Bengal and Telangana. The Company further proposes to expand its sales and marketing team by hiring additional personnel, including to service its customers in Maharashtra.

Expand customer base and increase sales to existing customers: IBPL intends to rely on its existing customer relationships to generate Repeat Orders, and to emphasize quality consciousness, cost efficiency, and timely execution, and its customer outreach and other sales



and marketing initiatives (guided by 'lost order analysis' undertaken by it) to acquire new customers and expand its customer base. To this end, IBPL has also recently set up a dedicated business development team responsible for identification of new industries, avenues or channels to increase the sales of its PEBs. Its sales and marketing team acts on the recommendations of the business development team to increase the market visibility of its brand and its products in those identified industries, avenues and channels. Additionally, IBPL proposes to expand its sales and marketing teams and business development teams in order to ensure continuing engagement with its existing customers and acquisition of new customers.

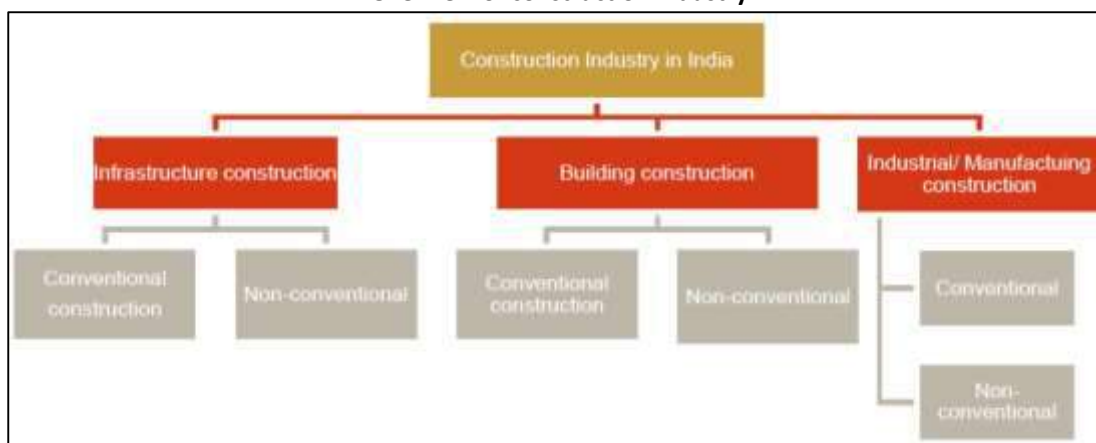
The Company intends to focus on customers engaged in electric vehicle manufacturing, renewable power and data centre based on recent regulatory initiatives in India. It also intends to foray into PEB categories in addition to its current offerings, which are being undertaken in conventional construction such as multi-storey commercial buildings (offices and mall), residential buildings, institutional builds (schools and universities). It further intends to leverage the growing proportion of PEB Sales to its revenue from operations to reach a wider customer base.

Continue to invest in technology infrastructure to enhance in-house design and engineering, and manufacturing capabilities and thereby improve operational efficiencies: IBPL intends to continue to invest in its technology infrastructure to enable further innovation, improve its operational efficiencies, increase customer satisfaction and improve its sales and profitability. It also intends to enhance its design and engineering capabilities which provide with a competitive advantage with respect to quality, product development and cost, as well as to explore sustainable cost improvement initiatives for its operations. In addition, IBPL will focus on its operational efficiency to improve returns. It aims to identify opportunities to implement manufacturing improvements and will dedicate its design and engineering resources to enhance its manufacturing processes and improve its cost efficiencies. IBPL intends to rely on its investment in design and engineering capabilities and expansion of its design and engineering team to enable it to capitalize on long-term growth opportunities and help it align itself with anticipated demand its products and market, and better position itself to meet the evolving requirements of its customers. IBPL aims to utilise a portion of the Net Proceeds towards funding investment in information and technology assets for expansion of existing technology infrastructure of the Company. The planned investment is intended to improve efficiency and meet changing customer requirements.

Industry Overview

Assessment of Pre-engineered steel building industry in India

Overview of construction industry



As discussed, the construction sector is bifurcated into building construction, industrial/manufacturing, and infrastructure construction. Furthermore, the construction industry can be further categorised into conventional methods and non-conventional based on type of construction method / structure. Non-conventional structure can be further divided into:

- Pre-cast: These structures are manufactured/produced in factories out of concrete components. Once cast, these components are transported to the construction site and assembled, creating the final building.
- Prefabricated: In this, entire structures or modules are manufactured in the factory, including all necessary components and finishes and then transported to the site as completely built units or in semi-knocked-down form, where it is directly installed without the need for further on-site assembly (e.g., guard rooms). It is important to note that prefabricated structures are generally not used in industrial settings.
- Pre-engineered steel buildings: In these, steel structures are fabricated in the factories in a controlled environment and then transported to the construction site where the final assembly takes place.

Furthermore, within conventional construction, RCC and steel buildings are prominent methods of construction. Steel players like Tata Steel, Nippon Steel, ArcelorMittal Nippon Steel India, Steel Authority of India Limited, Jindal Steel & Power Ltd., Jindal Steel, etc. provide structural steel long products for construction of steel buildings, which is further used by EPC players, PEb players as well as directly by steel players themselves to provide steel buildings.

Overview of pre-engineered products and their applications

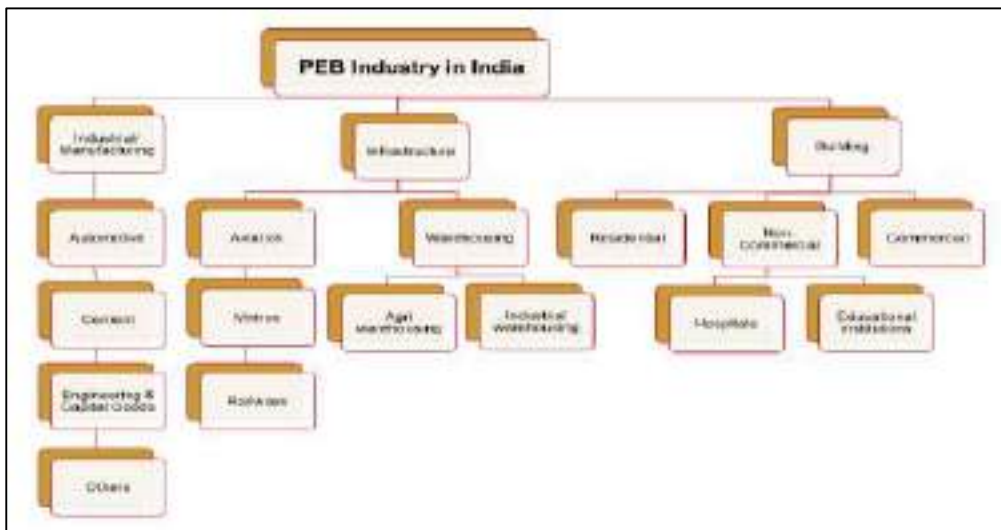
Pre-engineered steel construction has emerged as an innovative building method due to rapid growth of automation in the construction industry. Furthermore, a shortage of skilled labour, combined with the inherent advantages of these structures in terms of speed, cost-effectiveness, and environmental impact, is significantly propelling their popularity in the construction sector.

Pre-engineered structures/units are more eco-friendly than traditionally constructed ones and provide common benefits such as reduced material wastage, enhanced quality control, and improved on-site safety. The controlled manufacturing process minimises material wastage, promoting sustainable building practices, while rigorous quality control ensures consistent and durable structures.

Key components/sub-structures of pre-engineered steel buildings:

- **Main frame or primary structure:** This frame is the main load-carrying and support structure of a pre-engineered building, made of rigid steel frames. The primary structure consists of columns, rafters, and other supporting structures. The shape and size of these structures differ based on their application and requirements. The frame is constructed by bolting the end plates of connecting sections together.
- **Secondary structure:** Secondary structure consists of purlins, girts, and eave struts, used to support the wall and roof panels. Purlins are employed on the roof, girts on walls, and eave struts at the intersection of the sidewall and roof.
- **Roof, wall panels, and insulation:** These components are used for sheeting and are generally made of ribbed steel sheets. They are used as roof and wall sheeting, roof and wall liners, partition, and soft sheeting. Steel sheets are generally produced from steel coils.

Pre-engineered steel buildings industry segmentation by end user



Pre-engineered steel construction is gaining popularity in the commercial, infrastructure, and industrial landscape, such as in the automobile, cement, paper sectors, offices, aircraft hangers, warehouses and logistics, and data centres. Use of pre-engineered constructed units allows companies to accelerate the construction process in a cost-effective manner without compromising on quality. In fact, the absence of external, uncontrollable factors such as adverse weather in pre-engineered construction allows for better control on quality through standardised operations and streamlined processes.

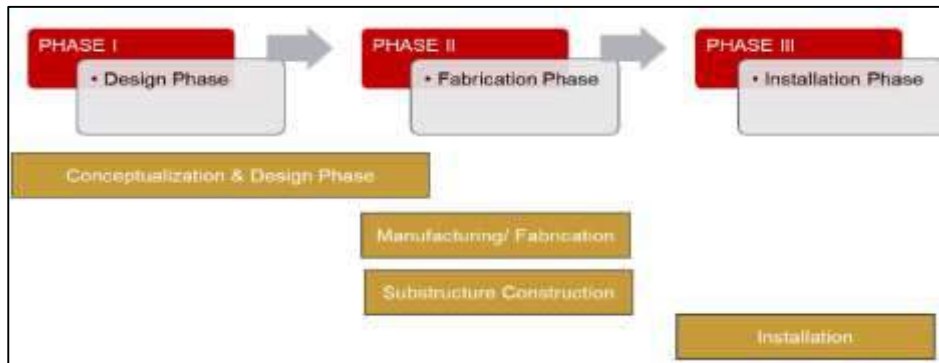
In the realm of building construction, pre-engineering is reshaping the construction industry by decreasing the overall construction duration for commercial complexes, hospitals, office buildings, high-rise buildings, and so on, without compromising on construction quality. The institutional and recreational field also constructs pre-engineered steel structures in the form of schools, exhibition halls, hospitals, theatres, auditoriums, gymnasiums, and indoor sports courts.

Construction plan for pre-engineered steel buildings construction

Similar to the construction plan for RCC structures, the pre-engineered steel buildings construction plan is also structured into three primary phases, though the activities scheduled in each of the three phases—design, fabrication, and installation—differ. The initial Design phase encompasses critical tasks such as site preparation, finalising the design specifications, and obtaining the requisite approvals.

The design phase is followed by the fabrication phase, in which there is focus on the manufacturing of pre-engineered steel structures as well as on construction of substructures which not only enhances cost-efficiency but also accelerates project timelines significantly. Hence, this simultaneous approach contributes to substantial savings in both time and resources. Finally, the concluding phase of pre-engineered steel buildings construction involves the transport of individual pre-engineered steel building components to the designated construction site, where the final pre-engineered steel structure is installed with precision.

Design plan of pre-engineered steel construction

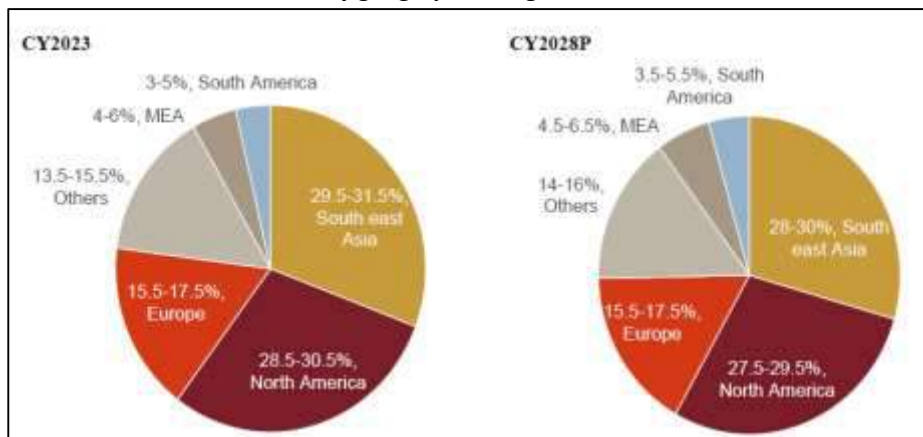


Global PEB market to reach \$32-34 billion by 2028

The global pre-engineered buildings market was valued at \$19-21 billion in calendar year 2023, compared with \$15-17 billion in calendar year 2019. The market witnessed moderate growth during calendar years 2019-2023 because of Covid-19 and its subsequent impact on the overall construction sector.

The market is expected to clock a CAGR of 10.5-11.5% over the medium term and is projected to be valued at \$32-\$34 billion by calendar year 2028. This high growth could be attributed to the increasing awareness about modern off-site construction techniques, as well as rising demand for green buildings globally, which has resulted in a shift in focus from traditional steel buildings to pre-engineered buildings.

Share of key geographies in global PEB market



Overall, growing investments in infrastructure construction by governments, coupled with increasing awareness of PEB and its benefits in construction, are expected to positively impact the global PEB market. For instance, the Indian government has launched initiatives such as Smart Cities and PM Gati Shakti to develop urban infrastructure. Similarly, the Vietnamese government has launched policies aimed at enhancing infrastructure development to improve overall logistics. These government initiatives are expected to boost demand for PEB structures, facilitating further market growth.



Market size of pre-engineered steel buildings in India and potential

The industry expanded at a CAGR of ~8.0% over Financial Years 2019-2024, growing from Rs.130 billion in Financial Years 2019 to ₹195 billion in Financial Years 2024. The medium-term outlook is optimistic, with the industry growing at a strong 11.0-12.0% CAGR between Financial Years 2024 and 2029 to Rs.330-340 billion, supported by investments in the industrial and infrastructure sectors, such as warehouses and logistics as well as expressways (wayside amenities and toll plazas).

Structural steel is seeing good potential and application in metro station structures, airport structures, telecommunication towers, broadcasting towers, floodlight towers, power transmission towers, among others, which is supporting growth in the pre-engineered steel buildings industry in India. The Indian government's impetus on the infrastructure investments will also drive demand for steel construction-related structures.

Pre-engineered steel building market remains competitive with large unorganised vertical; organised sector remains superior to unorganised sector

As of Financial Year 2024, the organised industry held a 40-45% revenue market share in the overall industry. Key players such as Interarch Building Products Limited and Kirby Building Systems accounted for 40-50% of the market share in the organised industry Financial Year 2023. The organised industry is consolidated with six key players, accounting for 80-85% of the organised industry, which, in turn, held 35-40% of the overall industry in Financial Year 2023. The six key players include Interarch, Kirby, Pennar, Phenix / M&B Engineering, Everest Industries and Zamil, in no particular order. The remainder is the fragmented unorganised industry. The unorganised industry accounts for 55-60% of the overall market, as high capital investment is not required for entering the market. However, the organised sector has an edge over the unorganised sector in terms of a reliable track record, maximised supply chain capabilities, quality engineering services and products due to which there has been a growing shift towards the organised sector. This shift is also expected to augment the revenue of players in the organised market.

Share of infrastructure in the pre-engineered steel building market to increase

The pre-engineered steel building market in India can be divided into three broad end-use sectors: industrial/ manufacturing, infrastructure, and building (residential, commercial and non-commercial). The industrial sector, which held the largest market share of 53-55% in Financial Year 2024, is expected to account for 52-54% of the market by Financial Year 2029. The high industrial sector's share in the pre-engineered steel buildings market is led by higher penetration in the automobile, cement, and oil and gas markets, among others. Increasing investments by railways for moderation investments is also expected to provide an impetus to the PEB industry.

The infrastructure sector's share in the pre-engineered buildings market is expected to increase to 38-40% by Financial Year 2029 from 36-38% in Financial Year 2024. Pre-engineered buildings in the sector include warehouses, cold storage facilities, data centres, power plants, aircraft hangers and railway yards. PEB warehouses are also gaining prominence post GST implementation. In the pre-GST scenario, players preferred setting up warehouses in every state to save on inter-state taxes.

The buildings sector share in the pre-engineered buildings market, which was low at 7.5-8.5% in Financial Year 2024, is estimated to remain range-bound at 8-9% in Financial Year 2029.

Overview of construction costs of pre-engineered steel structures

As per primary research, the cost of a pre-engineered steel building is estimated to be at times 15-35% lower than conventional structures for sheds, warehouses, and depots or at times 20-25% more expensive than a traditionally constructed building depending on the building's design and usage requirements. However, the higher upfront cost of pre-engineered steel buildings is offset by faster construction time, flexibility to expand these buildings, lower maintenance costs, better durability and higher salvage value, among others, which ultimately result in cost savings over the entire lifespan of the building. Further, pre-engineered steel buildings not only accelerate the overall construction process, but also save labour costs and enable quicker occupancy/commencement of operations, leading to potential revenue generation at an earlier stage.

Additionally, due to the flexibility to shift these structures to other locations, pre-engineered steel structures help to reduce potential capex costs, enabling organisations to adapt to changing operational needs without the financial burden of constructing new buildings.

Pre-engineered steel buildings more cost-effective for smaller structures

According to research published in the International Research Journal of Engineering and Technology (Comparative Study of Pre-Engineered Building And Conventional Steel Structures), cost-saving advantages of PEB increases as the span of the structure increases till an inflection point, after which cost savings diminish.



For instance, in the case of 10m clear span structures (span denotes the distance between the two intermediate support structures), PEB provides a commendable ~40% cost savings compared to conventional steel structures (CSB). PEB provides similar cost savings in case of clear span of 20m and 30m structures, where use of PEB helps in cost savings of approximately ~50% and ~42%, respectively. However, this trend experiences a significant inflection point at 50m span, where the cost-saving benefit of PEB diminishes considerably, offering only marginal savings of approximately 2.8% compared to CSB.

Key growth drivers

In this section, CRISIL has covered overall growth drivers of prefabricated industry followed by sector (i.e., infrastructure, industrial and building) specific growth drivers:

Shift from RCC to PEB due to growing awareness of pre-engineered structures

Growing awareness of PEB structures along with its benefit over traditional RCC construction have led to an increase in PEB projects. Use of PEB not only helps in expediting the project timelines but is also more sustainable due to less wastage. As a result, pre-engineered construction structures are garnering greater acceptance over traditional on-site construction practices of erecting entire structures on-site. This positioning is expected to serve as a catalyst for the growth of pre-engineered structures in the construction industry.

Low share of pre-engineered construction in overall construction indicates high growth potential

The pre-engineered construction industry in India, even though gaining acceptance, is still in its infancy. As of Financial Year 2024, penetration of pre-engineered construction in the overall construction sector is estimated to be around 3-5%, compared to 2-4% in Financial Year 2019. This low share of pre-engineered buildings in India combined with the increasing of awareness of benefits of pre-engineered buildings over RCC, provides a substantial growth potential of pre-engineered buildings in India. This will help in increasing the share of pre-engineered construction in overall construction to 5-7% by Financial Year 2029.

Low steel consumption in India

As of calendar year 2023, the country's annual per capita steel consumption stood at 93 kg per annum, compared with the global average of 219 kg. Favourable government policies like National Steel Policy aims to increase per capita steel consumption of India and create a technologically advanced and globally competitive steel industry in India to promote self-sufficiency in steel production as well as economic growth. The National Steel Policy focuses on the following three main aspects:

- increase in consumption of steel through major sectors of infrastructure, automobiles and housing
- to achieve 300MT of steelmaking capacity by 2030
- to increase per capita steel consumption from around 60 Kgs in 2017 to the level of 160 Kgs by 2030

This is expected to aid pre-engineered building industry by positively impacting the quality of steel available, which is the dominant raw material required for pre-engineered buildings. Additionally, increasing penetration of pre-engineered buildings in infrastructure projects coupled with National Steel Policy's aim to boost steel consumption in infrastructure sector is expected to positively impact pre-engineered buildings.

Furthermore, the government has also implemented Domestically Manufactured Iron & Steel Products (DMI&SP) policy for promoting Made in India steel for Government procurement. Additionally, in 2021, government approved the Production Linked Incentive (PLI) Scheme for specialty steel. The duration of the scheme will be five years, from Financial Year 2024 (2023-24) to Financial Year 2028 (2027-28). With a budgetary outlay of Rs.63.2 billion, the scheme is expected to bring in investment of approximately Rs.400.0 billion and capacity addition of 25 MT for speciality steel. These steps will positively impact the availability and quality of steel as a raw material, supporting the PEB industry.

Increased industrial capex and planned capacity expansion to boost PEB sector

Overall industrial capex grew ~9% on an average between Financial Years 2019-2023. In value terms, industrial capex is expected to rise to approximately Rs.6.5 trillion on average between Financial Years 2024-2028 compared to approximately Rs.3.9 trillion in the past five Financial Years 2019-2023, marking an increase of ~1.7x on an annual basis.

Additionally, several sectors including automobiles and auto components and telecom and networking products are expected to drive higher investments in manufacturing, leading to expansion of the pre-engineered construction sector as companies invest in modern and efficient construction methods to meet the growing demand. Furthermore, within auto sector, schemes like FAME (Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles) I, FAME II, PM-eBus Sewa as well reduction of GST on electric vehicles from 12% to 5% is



expected to increase the demand of EV vehicles in India. Additionally, increased focus on EV infrastructure, around 32000 EV charging stations are expected to be installed in India by Financial Year 2032, will also positively influence the sales of EV. As a result, share of EVs in the overall automobiles sales in India is likely to reach ~30% by 2030.

Sectors like metals, cement, oil and gas may continue to account for higher capex as larger companies gained market share during the recovery from pandemic and benefited from a sharp improvement in profitability because of the commodity upcycle, which improved their credit profiles.

Increased capex in these industries is anticipated to indirectly boost the demand for pre-engineered steel structures, especially in large and complex industrial construction projects. Pre-engineered steel construction may be preferred for large and complex industrial projects, depending on the size, structure, and construction span of the building due to its hi-speed, engineering efficiency, sustainability, and quality advantages.

Increasing popularity of green and sustainable buildings

Increasing popularity of green and sustainable buildings among large corporations as well as logistics players are also driving growth of pre-engineered steel buildings as streamlined processes minimise material waste significantly and make these buildings more sustainable than traditional buildings. Additionally, steel is a major component in pre-engineered steel building construction which is highly recyclable. Moreover, use of pre-engineered steel building structures supports deconstruction and reconstruction, enabling the building components to be reused or recycled at the end of their life cycle. This approach significantly reduces the amount of construction-related waste sent to landfills, leading to a more sustainable construction industry. Overall, the growing shift of logistics players towards green logistics is expected to support the pre-engineered steel building sector.

Infrastructure development and investments will support demand for PEB

India's focus on infrastructure is increasing owing to government policies such as metro rail projects and the National Infrastructure Pipeline, which are expected to be major growth drivers for the pre-engineered construction industry in India.

CRISIL expects infrastructure investments to nearly double by 2030- from an estimated Rs.67 trillion between Financial Years 2017-2023E to Rs.143 trillion between Financial Years 2024-2030, with core infra contributing to 67% of the total investments. The central and state governments will be contributing to ~80% of the core infrastructure investments.

CRISIL expects focus on infrastructure development to continue going forward. Effective central government capex (capex + grants in aid for creation of capital assets) is budgeted to rise to 4.5% of GDP in Financial Year 2025. This will cushion the economy through its relatively large multiplier effect, and at the same time is expected to crowd in private investment, especially in infrastructure linked sectors such as steel and cement. Additionally, infrastructure capex is expected to log a CAGR of 9% between Financial Years 2024-2028, resulting in 80% increase over Financial Years 2019-2023, led again by government spend. This increased government spending on infrastructure along with growing awareness of pre-engineered buildings over traditional construction is expected to boost the demand of pre-engineered buildings in India.

Increased focus on renewable energy capacity addition

In renewable energy space, CRISIL expects strong capacity additions of 290-300 GW till Financial Year 2030. Within the total capacity additions, solar and wind will see the highest capacity additions of 180-190 GW and 55-60 GW respectively. Additionally, CRISIL expects share of non-fossil in generational mix to increase to 45% by Financial Years 2030, with solar accounting for 50% of incremental non fossil generation. These capacity additions will require substantial capex in development of needed infrastructure. CRISIL expects capex of ~ Rs.30.3 trillion in renewable energy space between Financial Years 2024-2030.

Warehouse and cold storage expansion to be major contributors to PEB demand

Due to increasing e-commerce penetration and changing customer preferences, companies are also investing in warehousing and cold storage facilities. Additionally, due to rapid urbanisation and economic growth in developing countries, various companies seek faster and more cost-effective ways to construct their warehouses. Pre-engineered steel buildings are preferred for their cost-effectiveness and speedy construction compared with RCC buildings as they require less manpower and construction time, leading to cost savings. Increased adoption of pre-engineered steel building in warehouse construction will boost overall pre-engineered market growth.

Overall, CRISIL projects construction investments in the warehousing (agricultural and industrial) and cold storage (single- and multi-commodity) sectors to rise to Rs.400-420 billion over Financial Years 2024-2028P from Rs.230 billion in Financial Years 2019-2023(E) on



expectations of increased demand. Additionally, as of Financial Year 2023, penetration of PEB in warehousing is estimated at ~37-40%, which is expected to increase to ~57- 60% by Financial Year 2028. This increased penetration of PEB in warehousing, along with increased demand of warehouses, will provide boost to the overall pre-engineered building industry.

Increasing demand of data centres in India

As per the draft Data Centre Policy 2020, data centres to be declared as an Essential Service under The Essential Services Maintenance Act, 1968 (as amended). Furthermore, Data Centre Economic Zones will also be set up for the long-term growth of data centres in India. CRISIL expects installed data centre IT capacity to increase from 780 MW in Financial Year 2023 to ~1,700 MW by Financial Year 2026, thereby registering a CAGR of ~30%. Additionally, revenue is expected to grow ~2x to reach ~Rs.200 billion by Financial Year 2026 from ~Rs.84.5 billion in Financial Year 2023.

These policies combined with the RBI mandate advising all payment system providers to store entire data related to payment systems operated by them in a system only in India is expected to provide impetus to data centre in India, which in turn is expected to boost the demand of pre-engineered steel buildings.

Low penetration of PEB in building sector

In Financial Year 2024, the share of PEB in the building sector was estimated at 0-1%, considerably lower than the penetration of PEB in the industrial sector (13-15%) and infrastructure sector (5-7%). However, growing awareness of benefits of PEB over traditional construction methods, combined with low penetration of PEB in the building sector, provides room for further growth in this sector. Additionally, shortage of suitable healthcare infrastructure during Covid-19 has also increased awareness of PEB in the healthcare space, which is expected to positively impact demand for PEB in the building sector.

Rise in government-led innovative construction projects

Policy and regulatory factors play a crucial role in shaping the demand, growth and adoption of prefabrication and pre-engineering in the construction sector. For example, government schemes such as PMAY have been instrumental in driving the demand and growth of the pre-fabrication and pre-engineering industry, especially in the housing sector. Light house projects under the ambit of Pradhan Mantri Awas Yojana- Urban (PMAY- U) use distinct technologies to offer affordable and quality housing in an accelerated timeframe.

The increased focus of both central and state governments on providing low-cost housing in India is expected to boost the demand of cold form structures in the future. Additionally, government initiatives such as the light house project are expected to encourage wider adoption of such technologies across India, thereby driving the demand of prefabricated and pre-engineered construction structures.

Key Concerns

- Business and profitability are substantially dependent on the availability and the cost of raw materials and components consumed, including steel, and any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact the business, results of operations, financial condition and cash flows.
- Under-utilization of manufacturing capacities and an inability to effectively utilize the expanded manufacturing capacities could have an adverse effect on the business, future prospects, future financial performance and cash flows.
- Depend on a limited number of third party suppliers for the uninterrupted supply of its raw materials and do not have continuing or exclusive arrangements with any of its suppliers. Loss of suppliers or any failure by suppliers to make timely delivery of raw materials may have an adverse effect on the business, results of operations, financial condition and cash flows.
- Derive a significant portion of revenues from Repeat Orders which IBPL identifies as orders placed by customers or customer groups (identified as customers forming part of the same corporate group) that have placed orders with the Company previously. Any loss of, or a significant reduction in the repeat orders received by it could adversely affect the business, results of operations, financial condition and cash flows.
- Customers or customer groups do not commit to long-term or continuing contracts and may cancel or modify its orders or postpone or default in its payments. Any cancellation, modification, payment postponement or payment default in regard to its order book could materially harm its cash flow position, revenues and earnings.
- Some of the orders placed with IBPL by its customers, have been cancelled in the past and any future cancellations may impact the revenue from operations, cash flows, financial conditions and cash flows.
- Business is dependent and will continue to depend on the Manufacturing Facilities and IBPL is subject to certain risks in its manufacturing process.



- IBPL outsources certain operations of its business such as security guard services and other manufacturing processes to third parties. Any failure by such third parties to deliver their services could have an adverse impact on the business, results of operations, financial condition and cash flows.
- Financial results may be subject to seasonal variations and cyclical nature of the industry.
- Depend on the PEB Contracts for a significant portion of the revenues, in connection with which IBPL also provides onsite project management for installation and erection of pre-engineered steel buildings.
- The number of orders IBPL has received in the past, its current order book and its growth rate may not be indicative of the number of orders it will receive in future. Any delays in execution of orders expose it to time and cost overruns and variability in revenue, materially and adversely impacting the revenue from operations, cash flows, financial condition and cash flows.
- Insurance policies may not be adequate to cover all losses incurred in the business.
- Manufacturing Facilities are currently concentrated in the states of Tamil Nadu and Uttarakhand in India. Any significant social, political, economic or seasonal disruption, natural calamities or civil disruptions in Tamil Nadu and Uttarakhand could have an adverse effect on the business, results of operations, financial condition and cash flows.
- Dependent on contract labourers and any disruption to the supply of such contract labourer for its Manufacturing Facilities or inability to control the composition and cost of its contract labourer could adversely affect the business, results of operations, financial condition and cash flows.
- Depend on performance of third party builders/erectors for timely completion of the projects.
- Engage third party logistics providers for the transportation needs and do not have any insurance coverage for such transportation by the third-party logistic providers. Costs incurred on account of delays/failures caused by such third-party logistic providers could have an adverse impact on the business, results of operations, financial condition and cash flows.
- If the pre-engineered steel buildings that IBPL delivers, experiences quality defects or if the services it provides as a part of its contracts with its customers are found to be deficient, it may lose its customers and may be subject to product liability claims or claims alleging deficiency in service, which may also cause damage to its reputation and/or adversely affect the business, results of operations, financial condition and cash flows.
- IBPL has significant working capital requirements. If it experiences insufficient cash flows to meet its working capital requirements, its business, results of operations and cashflows could be adversely affected.
- Business benefits from the National Steel Policy introduced by the Government of India to boost the steel industry. Withdrawal of this policy could have an adverse impact on the business, results of operations, financial condition and cash flows.
- Inability of IBPL's design and engineering team to formulate a cost effective strategy for its projects would have an adverse impact on its profit margins.
- Inability to collect receivables and defaults in payment from customers could result in the reduction of the profits and affect the cash flows.
- IBPL has incurred indebtedness, and its inability to obtain further financing or meet its obligations, including financial and other covenants under its debt financing arrangements could adversely affect the business, results of operations, financial condition and cash flows.
- Any inability to protect intellectual property or any claims that IBPL infringes on the intellectual property rights of others and any failure to keep its technical knowledge confidential could erode its competitive advantage and could have a material adverse effect on it.
- Business and future growth are dependent on the growth of the commercial, infrastructure, and industrial landscape. If the growth in these industries is slow or stagnant, it could have an adverse impact on the business, results of operations, financial condition and cash flows.
- The Company may be unable to sustain growth or manage it effectively.



- Customers may claim against IBPL and/or terminate its contracts in whole or in part prematurely should it fail to satisfy its requirements and expectations or for any other reason.
- IBPL is subject to stringent labour laws or other industry standards and any kind of disputes with the employees could adversely affect the business, results of operations, financial condition and cash flows.
- The Company could be adversely affected if it fails to keep pace with technical and technological developments.
- The market share of unorganised industry in the pre-engineered steel buildings industry is significantly higher as capital investment is not required for entering the market.
- If IBPL cannot execute its strategies to target new customers and expand existing customer base effectively, its business and prospects may be materially and adversely affected.
- Expansion of geographical footprint and execution capabilities may not be successful.
- Any reputational damage to the brand could have an adverse effect on its business, results of operation, financial condition and cash flows.
- Failure or any disruption of information technology systems, may adversely affect the business, results of operations, financial condition and cash flows.

Profit & Loss

Particulars (Rs in million)	FY24	FY23	FY22
Revenue from operations	12933.0	11239.3	8349.4
Other Income	130.1	124.7	59.1
Total Income	13063.2	11363.9	8408.6
Total Expenditure	11802.9	10175.5	8020.5
Cost of raw material and components consumed	8290.4	7427.3	5694.4
Changes in inventories of finished goods and work in progress	-52.8	-102.5	-45.9
Employee benefits expense	1189.7	933.6	892.2
Other expenses	2375.6	1917.0	1479.9
PBIDT	1260.3	1188.5	388.0
Interest	21.6	26.0	44.6
PBDT	1238.7	1162.5	343.5
Depreciation and amortization	79.8	73.0	117.6
PBT	1158.9	1089.5	225.9
Tax (incl. DT & FBT)	296.3	274.9	54.6
Current tax	298.9	232.3	92.8
Adjustment of income tax relating to earlier years (net)	-0.7	5.3	1.6
Deferred tax (credit)/charge	-1.9	42.0	-38.5
Deferred tax (credit) for earlier year	0.0	-4.7	-1.3
PAT	862.6	814.6	171.3
EPS (Rs.)	58.7	54.3	11.4
Face Value	10	10	10
OPM (%)	8.7	9.5	3.9
PATM (%)	6.7	7.2	2.2

Balance Sheet

Particulars (Rs in million) As at	FY24	FY23	FY22
Non-current assets			
Property, plant and equipment	1,063.7	1,039.2	990.4
Capital work-in-progress	126.8	0.0	0.0
Investment properties	27.7	28.4	30.8
Intangible assets	1.9	0.4	1.3
Right-of-use assets	565.4	535.8	526.1
Financial assets			
<i>Investments</i>	53.6	50.1	0.1
<i>Trade receivables</i>	481.33	383.70	279.51
<i>Loans</i>	4.51	0.0	0.0
<i>Other financial assets</i>	27.92	16.0	40.7



Non-current tax assets (net)	24.0	18.8	13.9
Other non-current assets	27.1	40.8	19.4
Total non-current assets	2,403.8	2,113.1	1,902.1
Current assets			
Inventories	1,468.4	1,369.8	1,341.3
Contract assets	352.5	279.3	212.5
Financial assets			
<i>Trade receivables</i>	1,707.5	1,587.1	857.0
<i>Cash and cash equivalents</i>	615.8	586.6	401.1
<i>Bank balances other than cash and cash equivalents</i>	761.3	605.4	516.5
<i>Loans & Advances</i>	6.2	2.8	3.4
<i>Other financial assets</i>	14.2	10.2	11.8
Other current assets	220.4	196.0	135.9
Current tax assets (net)	0.0	0.0	56.0
Total current assets	5,146.3	4,637.2	3,535.5
Total assets	7,550.1	6,750.3	5,437.5
EQUITY & LIABILITIES			
Equity			
Equity share capital	144.2	150.0	150.0
Equity contribution	31.3	8.5	4.3
Capital redemption reserve	5.9	0.0	0.0
Securities premium	915.0	915.0	915.0
General reserve	181.8	565.9	565.9
Retained earnings	3,168.2	2,353.4	1,548.0
Total equity	4,446.3	3,992.8	3,183.2
Liabilities			
Non-current Liabilities			
Financial Liabilities			
<i>Borrowings</i>	6.4	11.1	10.2
<i>Lease liabilities</i>	26.8	57.8	41.5
Government grants	0.4	0.6	0.7
Employee defined benefit obligation (net)	11.1	90.6	197.5
Deferred tax liabilities (net)	57.2	58.9	24.7
Total non-current liabilities	102.0	218.9	274.6
Current liabilities			
Contract liabilities	1,163.9	1,060.3	875.9
Financial liabilities			
<i>Borrowings</i>	95.6	102.8	23.4
<i>Lease liabilities</i>	5.1	5.7	3.4
<i>Trade payables</i>			
<i>Total Outstanding dues of Micro Enterprises and Small Enterprises</i>	108.1	90.7	73.4
<i>total outstanding dues of creditors other than micro enterprises and small enterprises</i>	1,227.5	945.9	731.2
<i>Other financial liabilities</i>	171.5	118.6	111.0
Government grants	0.2	0.2	0.2
Provisions	16.8	13.8	11.6
Employee defined benefit obligation (net)	119.5	80.0	15.4
Other current liabilities	93.8	120.7	123.0
Liabilities for current tax (net)	0.0	0.0	11.3
Total current liabilities	3,001.9	2,538.6	1,979.8
Total liabilities	3,103.8	2,757.5	2,254.4
Total equity and liabilities	7,550.1	6,750.3	5,437.5



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