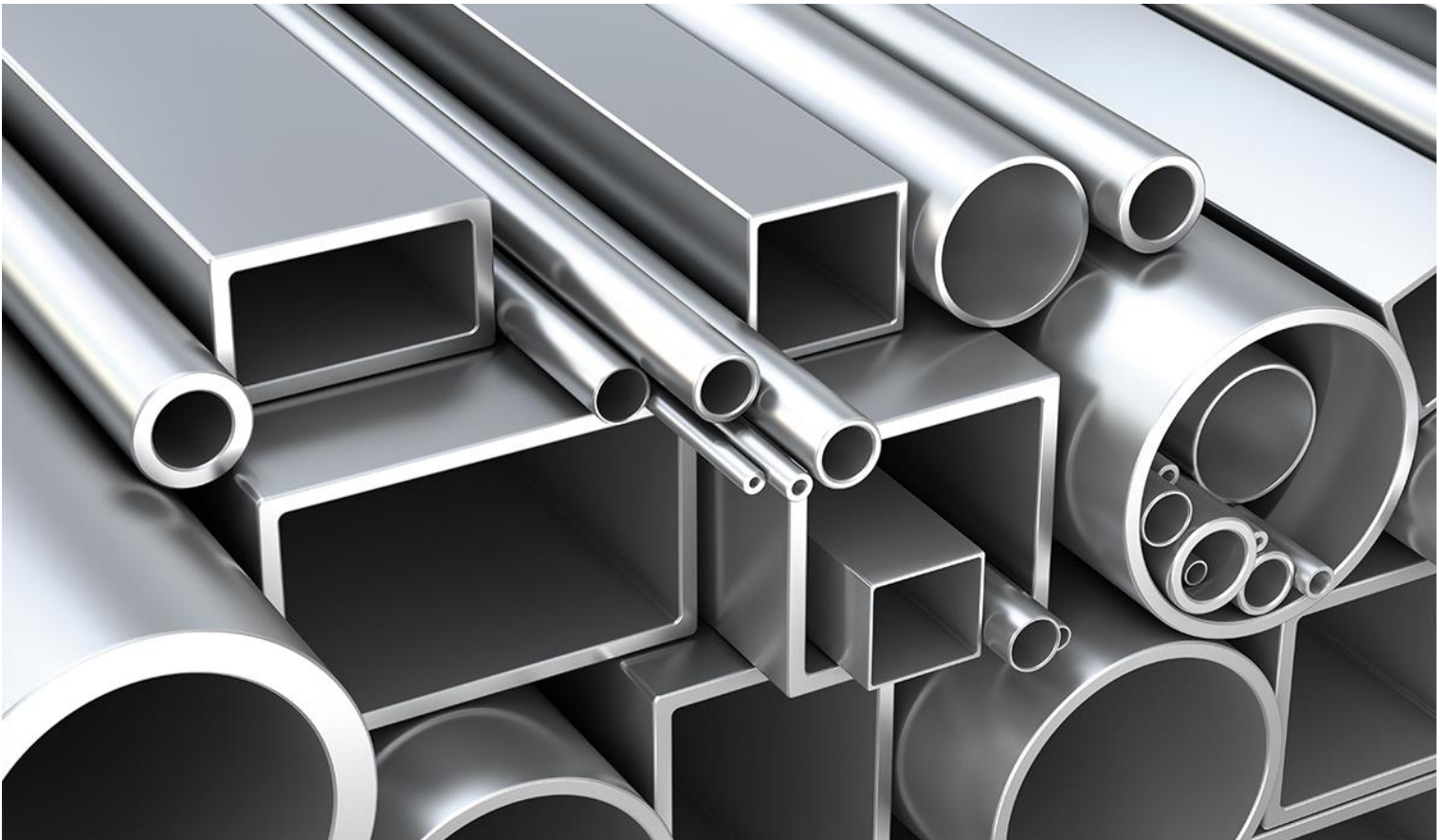




Hariom Pipe Industries Ltd

Piping the future with a profitable growth



Kyon ki bhaiya, sabse bada rupaiya.

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SUBSCRIBE at Upper Price Band of INR 153

Piping the future with a profitable growth

Hariom Pipe Industries Ltd (HPIL), incorporated in 1962, is an integrated manufacturer of MS Pipes, Scaffolding, HR Strips, MS Billets, and Sponge Iron. The company has two manufacturing units –

- Mahbubnagar, Telangana, which manufactures finished steel products from iron scrap and Sponge Iron, and
- Anantapur (near Bellary), Andhra Pradesh, which manufactures Sponge Iron and sources iron ore through the MSTC bidding portal and local suppliers in Bellary.

A substantial portion of the company's Sponge Iron, MS Billets and HR Strips are used for captive consumption in the manufacturing of MS Pipes and Scaffolding. The company caters to the southern and western Indian markets (through a network of 200 dealers & distributors) and also sells MS Pipes and Scaffoldings to real estate developers and infrastructure contractors.

During FY19-21, the company's revenue/ EBITDA/ PAT grew at a CAGR of 37.9%/ 41.9%/ 37.3% to INR 254 cr/ INR 34 cr/ INR 15 cr, respectively, while per ton EBITDA and PAT grew by 4.1% CAGR to INR 8,881 and 0.7% CAGR to INR 3,917, respectively.

The proposed issue size is INR 130 cr, and the company will utilize INR 40 cr for working capital, while INR 50 cr will be deployed for

- The expansion of MS Pipe manufacturing capacities (from 84,000 MTPA to 132,000 MTPA) at Mahbubnagar facility.
- The expansion of sponge iron furnace capacity from 95,832 MTPA to 104,232 MTPA at Anantapur facility.

The remaining amount of INR 40 cr will be utilized for general corporate purpose.

With strong potential for revenue growth and scope for further improvement in profitability, we recommend 'SUBSCRIBE' for long-term gains.

Key Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	P/BV (X)	EV/ EBITDA (X)
FY19	133.6	17.0	8.0	12.7	6.0	3.1	14.2	27.2	16.9	48.6	10.8	25.9
FY20	160.8	23.5	7.9	14.6	4.9	3.1	19.0	18.7	16.0	49.3	8.1	19.4
FY21	254.1	34.3	15.1	13.5	5.9	5.9	27.8	25.4	18.7	25.8	5.5	13.7

Industry	Metals
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Issue Details

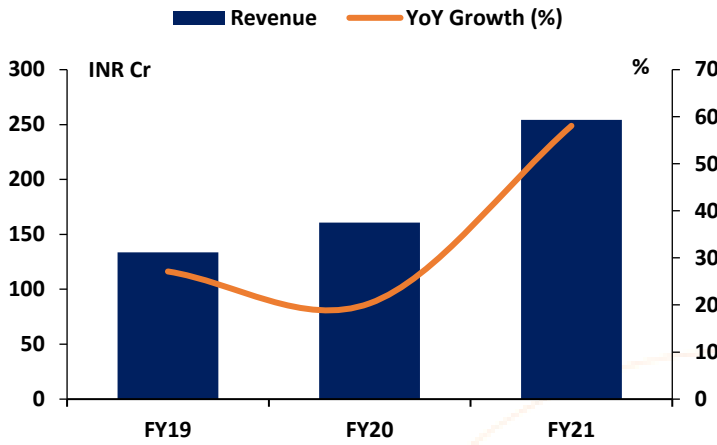
Listing	BSE & NSE
Open Date	30 th Mar 2021
Close Date	5 th Apr 2021
Price Band	INR 144-153
Face Value	INR 10
Market Lot	98 shares
Minimum Lot	1 Lot

Issue Structure

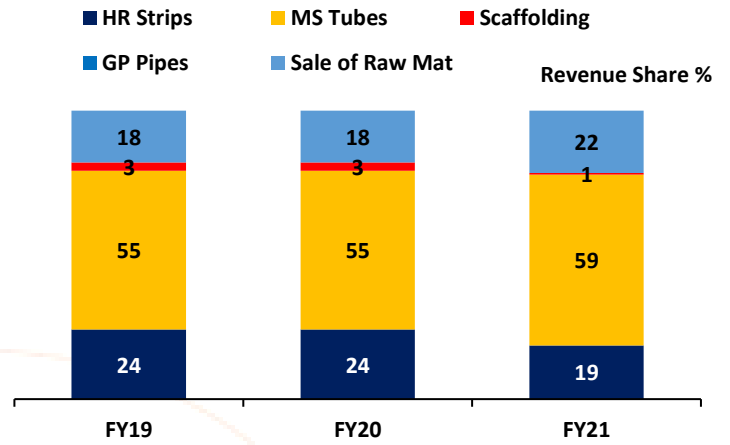
Offer for Sale	0%
Fresh Issue	100%
Issue Size (Amt)	INR 130 cr
Issue Size (Shares)	85,00,000
QIB Share (%)	≤ 30%
Non-Inst Share (%)	≥ 35%
Retail Share (%)	≥ 35%
Pre issue sh (nos)	1,69,76,204
Post issue sh (nos)	2,54,76,204
Post issue M Cap	390

Shareholding (%)	Pre (%)	Post (%)
Promoter	99.1	66.0
Public	0.9	34.0
TOTAL	100	100

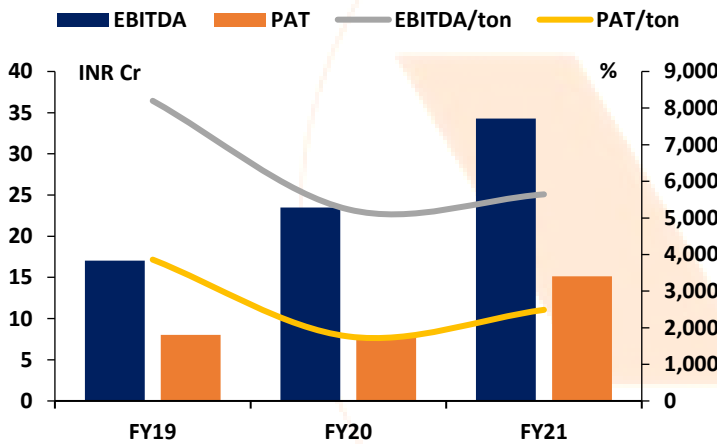
Increase in capacity utilization enhanced the revenue performance



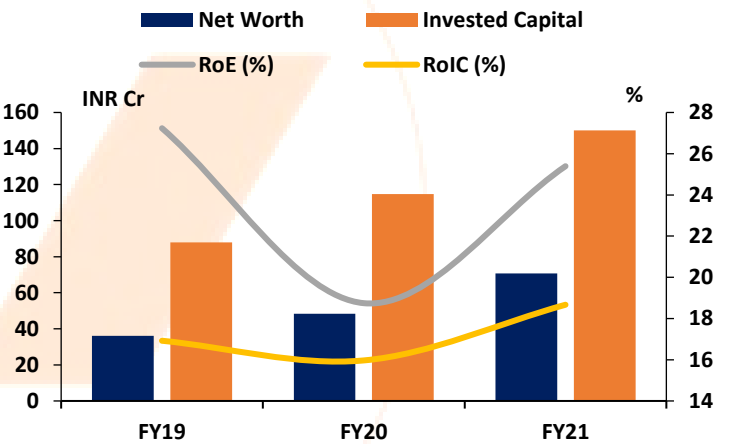
MS Tubes is driving the overall revenue performance of the company



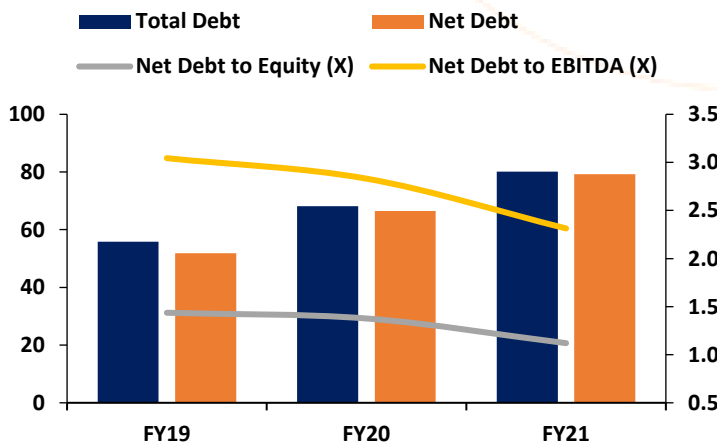
Higher product realization and cost optimization improved profitability



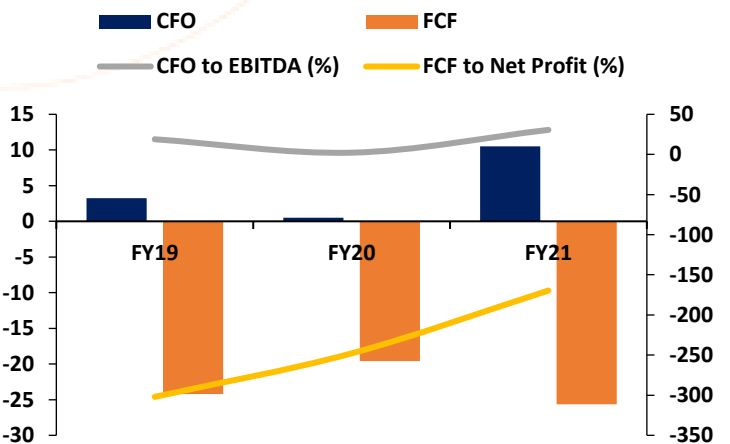
Key return ratios followed the profitability trend



Improvement in profitability reduced the debt burden on balance sheet



Recent capex impacted the free cash flow; asset sweating to drive future growth



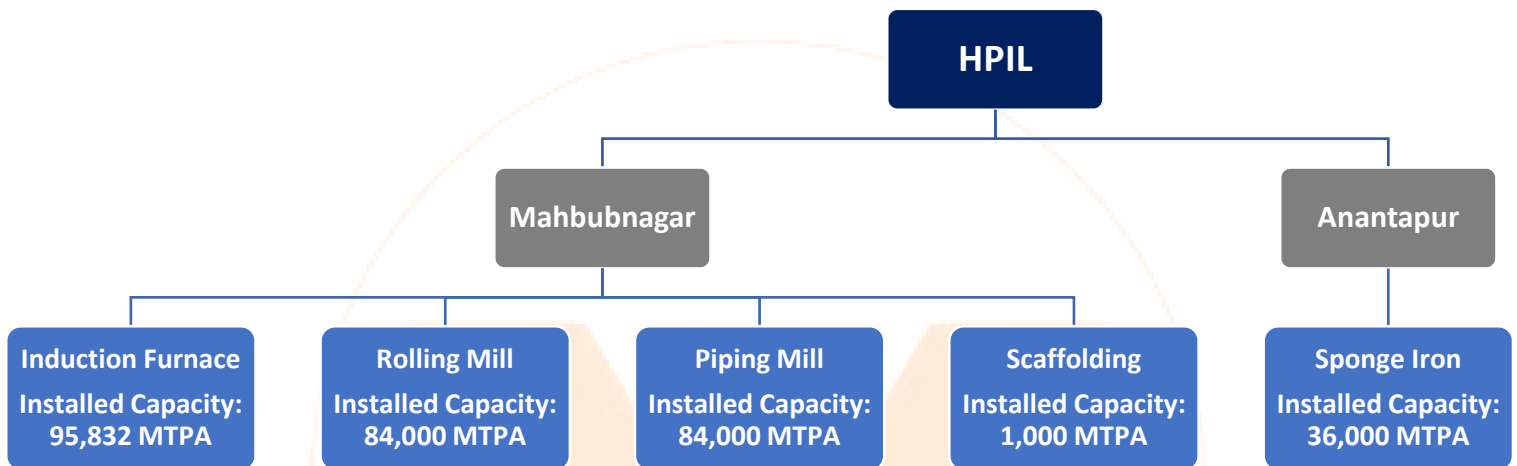
Source: Company Reports

Company Overview

HPIL is an integrated manufacturer of MS Pipes, Scaffolding, HR Strips, MS Billets, and Sponge Iron. The company has two manufacturing units –

- Anantapur (near Bellary), Andhra Pradesh, which manufactures Sponge Iron and sources iron ore through the MSTC bidding portal and local suppliers in Bellary.
- Mahbubnagar, Telangana, which manufactures finished steel products from iron scrap and Sponge Iron.

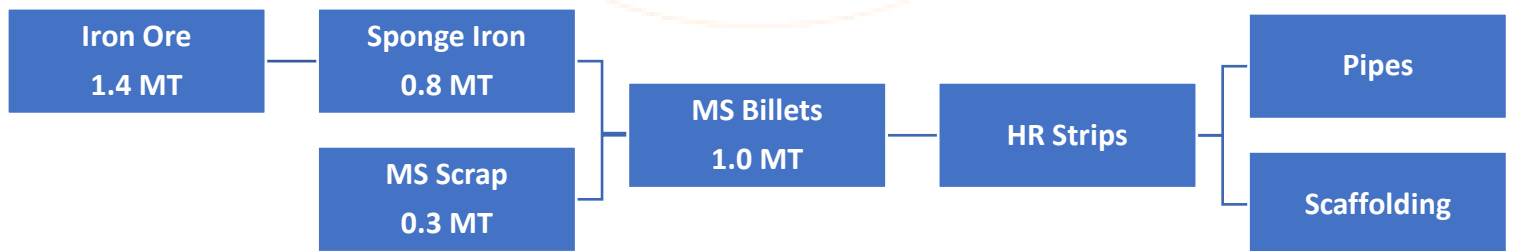
HPIL's Manufacturing Facilities



Source: Company Reports

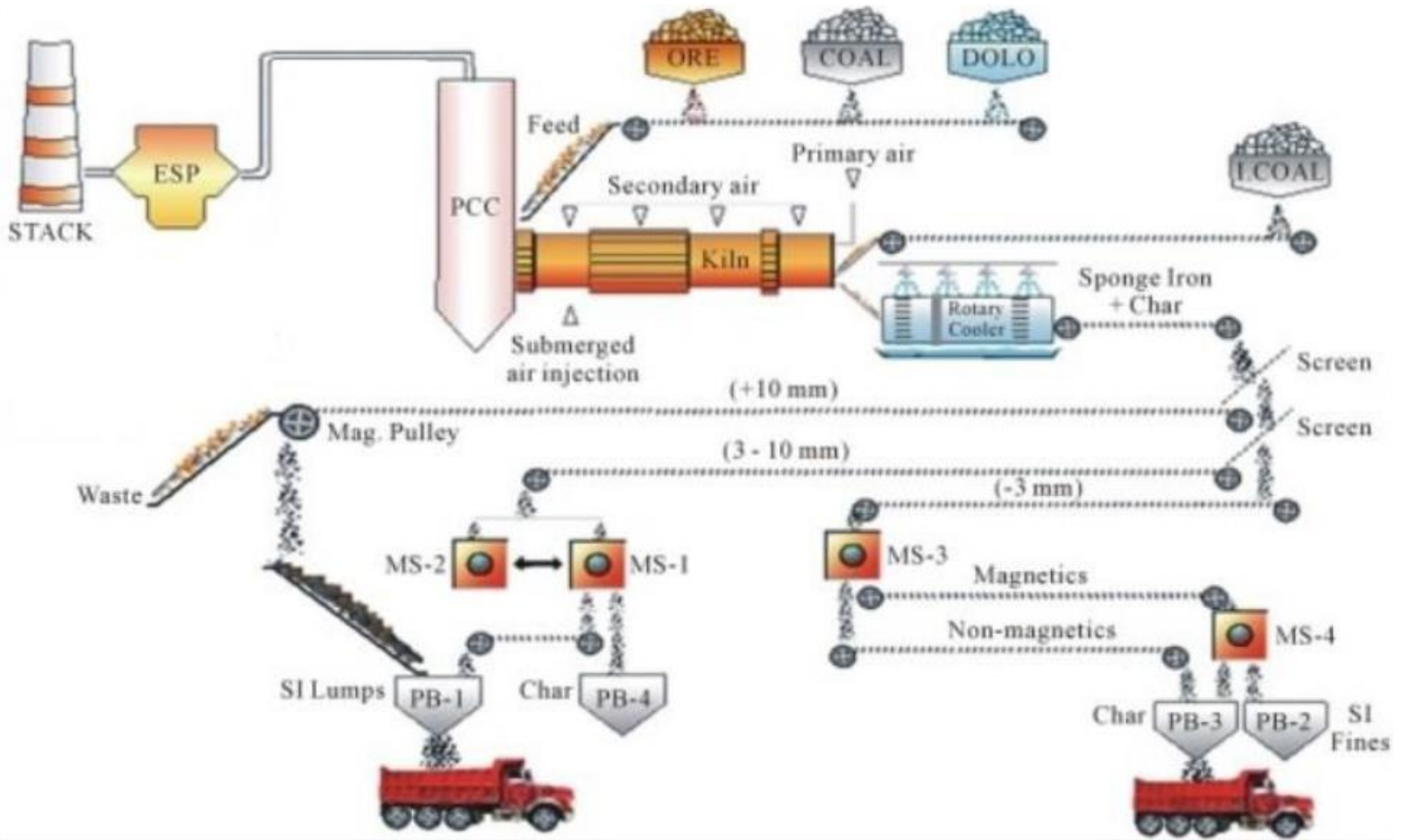
A substantial portion of the company's Sponge Iron, MS Billets and HR Strips are used for captive consumption in the manufacturing of MS Pipes and Scaffolding. HPIL manufactures sponge iron and also procures MS scrap and supplies these to its Mahbubnagar facility. Scrap and sponge iron (in the ratio of 30:70) are processed in the induction furnace producing MS Billets, which are then used as an input for the rolling mill to produce HR Strips. HR strips are further processed in pipe mill to produce MS pipes and Scaffolding.

HPIL's Manufacturing Process



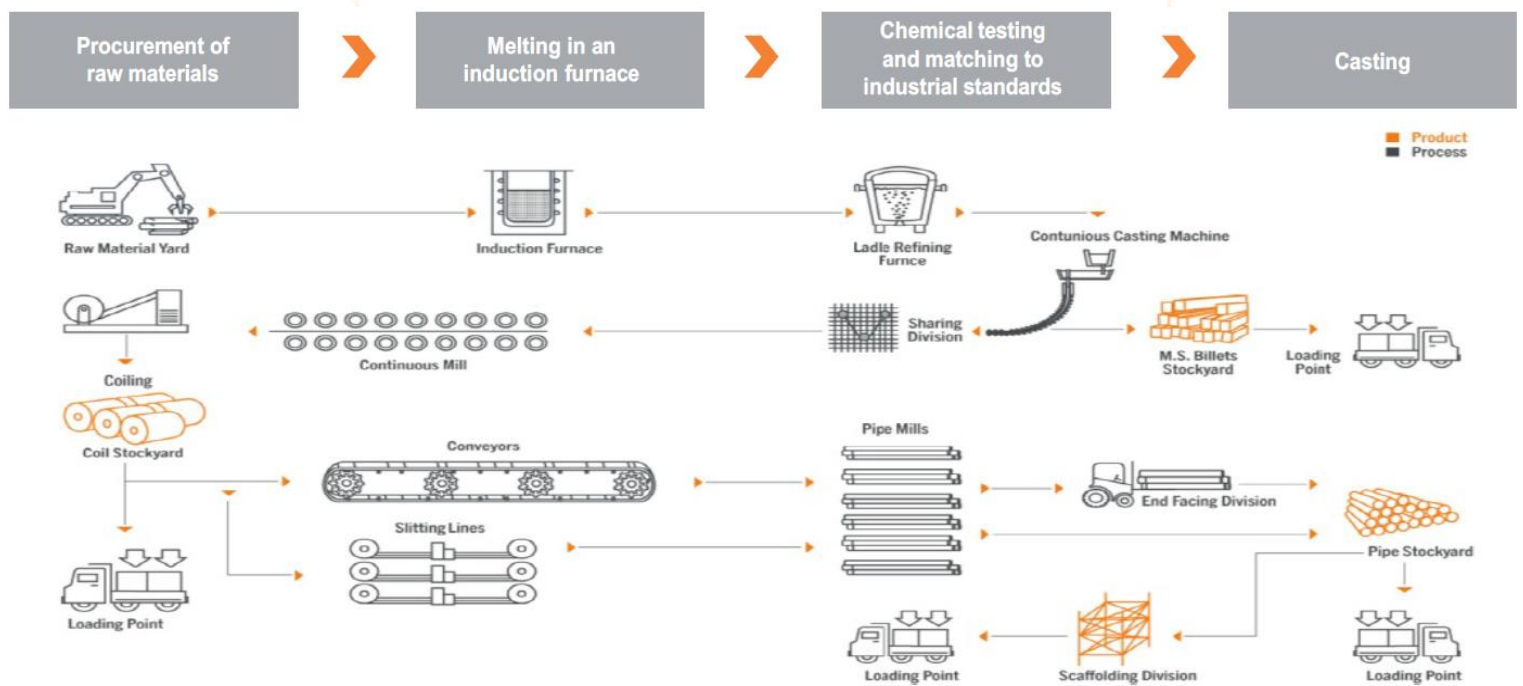
Source: Company Reports

HPII's Sponge Iron Manufacturing Process



Source: Company Reports

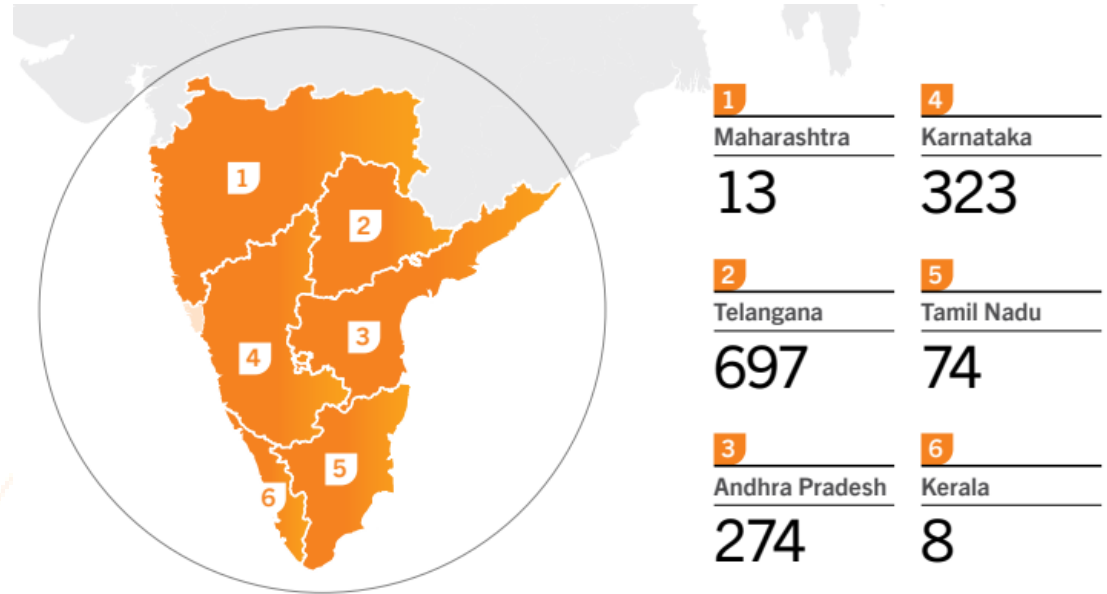
HPII's Pipes and Scaffolding Manufacturing Process



Source: Company Reports

The company caters to the southern and western Indian markets and also sells MS Pipes and Scaffoldings to real estate developers and infrastructure contractors.

HPIL has 1,389 distributors in 6 Indian states



Source: Company Reports

The proposed issue size is INR 130 cr, and the company will utilize INR 40 cr for working capital, while INR 50 cr will be deployed for

- The expansion of MS Pipe manufacturing capacities (from 84,000 MTPA to 132,000 MTPA) at Mahbubnagar facility.
- The expansion of sponge iron furnace capacity from 95,832 MTPA to 104,232 MTPA at Anantapur facility.

The remaining amount of INR 40 cr will be utilized for general corporate purposes.

Financial Analysis

During FY19-21, the revenue grew at a CAGR of 37.9% to INR 254 cr. EBITDA/ PAT grew at a CAGR of 41.9%/ 37.3% to INR 34 cr/ INR 15 cr, respectively, while per ton EBITDA and PAT witnessed a CAGR growth of 4.1% to INR 8,881 and 0.7% to INR 3,917, respectively, over the same period. Subsequently, RoC too improved by 175bps to 18.7%. However, in the absence of dividend payout in the past couple of years, RoE of the company declined during FY19-21 by 86bps to 21.4%.

HPIL's Segmental Performance



Source: Company Reports

Segmental Details and Key Growth Drivers

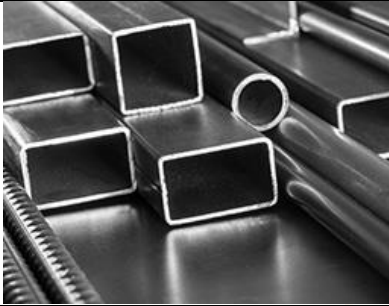
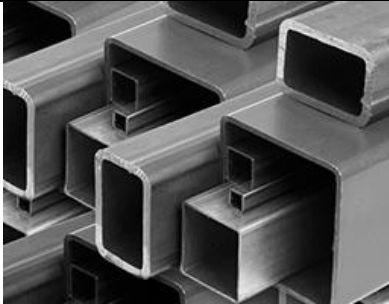

The global steel pipes & tubes market size was valued at USD 142.4 billion in 2019 and is expected to grow at a CAGR of 6.2% from 2020 to 2027. Similarly, the Indian steel pipes & tubes market is estimated to be around INR 60,000 cr and it is expected to grow at a CAGR of more than 10% in the coming years due to increasing demand from

- Oil & Gas sector for E&P and Distribution
- Water transmission and Sewage Treatment
- Development of new Industrial Corridors
- Rapid Urbanization and improvement in the Real Estate market

Mild Steel (MS) Pipes and Tubes

HPIL manufactures steel pipes and tubes, ranging in outer diameter from 19mm to 127.5mm, with thickness ranging from 1.0 to 3.5 mm. The pipes and tubes are made from strips of HR steel passed through forming rolls and welded into various shapes, including round, square, rectangular and railing sections. These pipes cater to multiple residential as well as commercial applications.

HPIL's Mild Steel Pipes and Tubes

	<p>Square Hollow Section</p>	<p>These pipes and tubes are offered in variable grades and standard specifications, varying between 20X20mm to 100X100mm across the thickness of 2 mm to 4 mm. They serve as an alternative to structural steel pipes, as they are more feasible to install, and can be installed with greater accuracy. They are widely used in Cement, Oil & Gas E&P, Refineries, Power Plants and other manufacturing industries.</p>
	<p>Rectangular Hollow Section</p>	<p>These products are available in sizes ranging between 40X20mm to 122X61mm, with a thickness of 2mm to 4mm. These are widely used in furniture, bicycles, 2W, auto fabrication, container fabrication, supermarket racks, doors & windows and industrial plant structures.</p>
	<p>Circular Hollow Section</p>	<p>The standard sizes of these products range between 15 mm to 110 mm NB with a thickness of 2 mm to 4.5 mm. These are used in the construction industry, sewage water lines and gas pipelines (LPG and natural gas)</p>

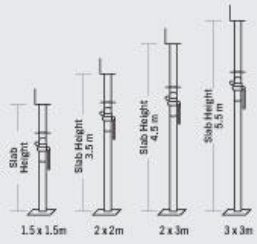
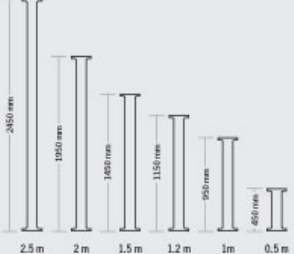
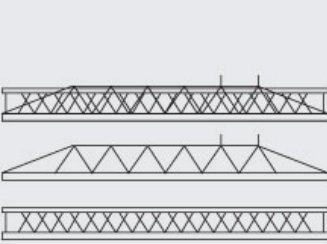
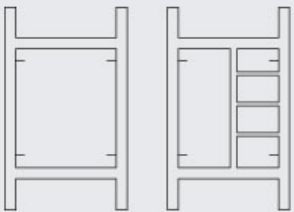
Source: Company Reports


Scaffolding Systems

In the infrastructure and construction industry, scaffolding refers to a temporary platform or structure that are erected with the help of wooden planks, bamboo poles or metal frames, on which workers stand or sit while building, repairing, cleaning or attending to other tasks above the ground level. In addition, the construction teams use this formwork as temporary or permanent casings when they have to mould wet concrete or hold it in place until it hardens enough to the desired level so that it can support its shape and weight.

HPIL manufactures top-quality Scaffolding Systems which have a longer life, accurate dimensions and can be customized as per the requirements of its clients.

HPIL's Scaffolding Products

	<p>Telescopic Props / Adjustable Props / Jacks</p>	<p>These props are ideal for use in applications requiring adjustable perpendicular load-bearing used for supporting slabs, beams and walls.</p>
	<p>Cuplocks</p>	<p>These are typically used in heavy laying and taller building constructions.</p>
	<p>Span / Acro Span/ Telescopic Span/ Adjustable Span</p>	<p>These products are manufactured as per industry defined quality standards and used as self-supporting runners in shuttering systems.</p>
	<p>H Frame Systems</p>	<p>HPIL provide H Frame Systems of different specifications and also customise them to meet the exact details required by clients for plastering of building, slab casting, industrial structures, glass cladding, maintenance work for industrial use.</p>

	<p>Jalli/ Plank/ Platform</p>	<p>These are used in construction companies and factories due to their sturdiness and corrosion resistance qualities.</p>
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Source: Company Reports

Oil & Gas sector – Improving infrastructure in mid-stream and down-stream

India is focusing on the development of midstream (refineries & petrochemicals) and downstream (petrol pumps & city gas infrastructure) infrastructure for greater processing, transport, and storage of petroleum products and natural gas.

With the completion of the 9th, 10th and 11th CGD round by PNGRB, the natural gas would be made available in 620 districts spread across 27 states and UTs. It is expected to cover 90% of India’s population and 86% of its geographical area. As per the commitment made by the successful bidders in all three rounds of auction, the industry would require 2.97 lakh km of steel pipeline by 2030.

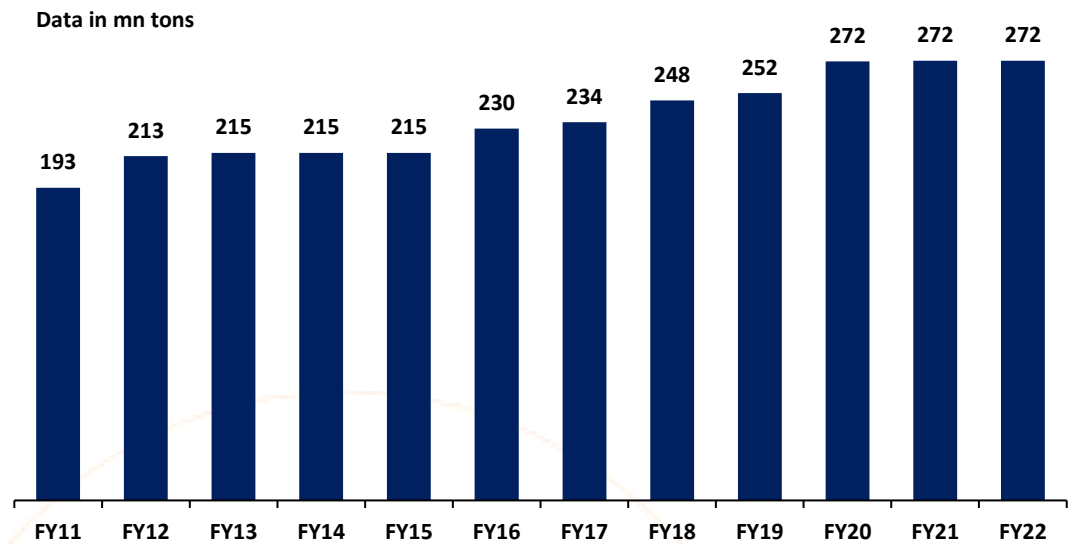
Details of 9 th , 10 th and 11 th round of CGD auction			
Particulars	9th Round	10th Round	11th Round
Geographical Areas Offered	86	50	65
Districts	174	124	215
Area (%)	23.8	17.9	33.0
Population (%)	26.4	24.2	26.0
Steel Pipeline (lakh Inch-Km)	1.16	0.58	1.23

Source: PNGRB

CGD players use seamless steel and ERW pipes to transport natural gas in cities. With 2.97 lakh inch km of pipeline required in the next 8–9 years, we are expecting a significant order book for steel pipe manufacturers.

India is likely to start the operations of 85 crude oil refinery projects accounting for about 52% of the upcoming crude oil refinery projects in Asia between 2021 to 2025 driven by rising consumption of oil and economic growth. India’s current refining capacity of 249.9 million tonnes per annum exceeds domestic consumption of petroleum products which was 213.7 million tonnes in the previous fiscal. However, India’s consumption of petroleum products is likely to rise to 335 million tonnes per annum by 2030 and to 472 million tonnes by 2040 according to government estimates. India needs to boost its refining capacity to meet growing demand. Indian state refiners (IOCL, BPCL and HPCL) are set to invest INR 2 trillion (\$26.96 bn) to boost oil refining capacity by 20% by 2025.

India's growing crude oil refining capacities



Source: IBEF and Ventura Research

Because seamless pipes can withstand high pressures, they are widely used in high-pressure applications of refineries, hydraulic cylinders and hydrocarbon industries.

Water Transmission and Sewage Treatment

India's per capita availability of water stands at only 1,486 cubic meters which is lower than the average of 2,014 cubic meters in the developed countries. India has 17% of the global population but has only 4% of freshwater resources. As the demand for water increases, the demand is expected to be twice that of supply by 2030.

The government launched AMRUT Mission in June 2015 to ensure that every household has access to a tap with an assured supply of water and a sewerage connection.

Performance of AMRUT Phase – I:

- 1.14 crore water tap connections have been provided taking total connections to 4.14 crore in AMRUT cities.
- Credit rating work has been completed in 470 cities. Of which, 164 cities have received Investable Grade Rating (IGR), including 36 cities with a rating of A- or above.
- Rs 3,840 crore has been raised through Municipal Bonds by 10 ULBs. The Online Building Permission System has been implemented in 2,471 cities including 455 AMRUT cities.
- This reform has helped improve India's rank in Ease of Doing Business in construction permits to 27 in Doing Business Report (DBR) 2020 of World Bank from 181 in 2018.
- 89 lakh conventional streetlights have been replaced with energy-efficient LED lights, leading to estimated energy savings of 195 crore units per annum & a reduction in CO2 emission by 15.6 lakh tons per annum.

The government launched the second phase of AMRUT (which is AMRUT 2.0). It aims to provide 100% coverage of water supply to all households in around 4,700 ULBs (Urban Local Bodies).

Objectives of AMRUT Phase – II:

- The scheme will build upon the progress of AMRUT to address water needs, rejuvenate water bodies, better manage aquifers, reuse treated wastewater, thereby promoting a circular economy of water.
- The scheme will provide 100% coverage of sewerage and septage in 500 AMRUT cities across India.
- Recycling and reuse of treated wastewater are expected to cater to more than 20% of the total water needs of the cities and 40% of industrial demand. Under the Mission, freshwater bodies will be protected from getting polluted to make natural resources sustainable.
- Pey Jal Survekshan will be conducted in cities to ascertain the equitable distribution of water, reuse of wastewater and mapping of water bodies.

Feeder pipelines from rivers and canals to ensure efficient water supply for irrigation and drinking. It is expected to significantly boost the demand for metal tubes and ERW pipes. Stringent quality requirements set by the government have reduced local competition from unorganized players. Since only organized players can meet the requirements their performance outlook stands further enhanced.

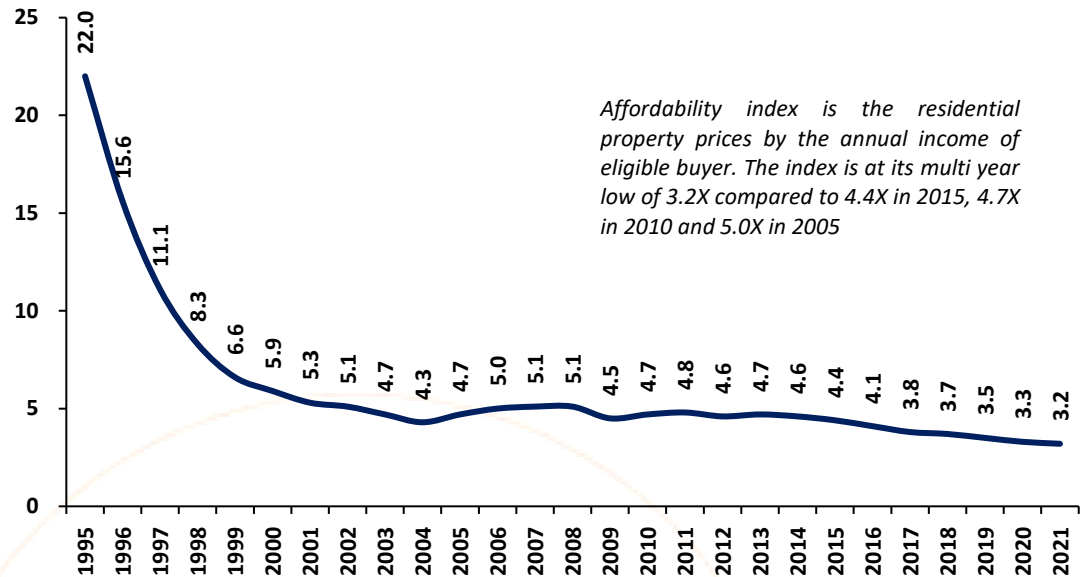
Rapid Urbanization and improvement in the Real Estate market

India is estimated to invest more than USD 4.5 trillion in infrastructure by 2040. Much of this investment will need to be focused on urban India, as by 2030, more than 40% of India's population (approx. 60 cr people), will reside in cities, which is estimated to require additional 700-900 mn sq meters of residential and commercial spaces to build over every year. An increase in construction activities is expected to substantially improve demand for MS tubes and scaffolding at construction sites.

Despite two successive COVID waves in India in CY20 & CY21, the real estate sector has performed considerably well and sector consolidation has accelerated along with balance sheet deleveraging. The residential segment has performed well relative to the commercial due to

- Low mortgage rates
- Stable residential prices
- Strong salary/hiring growth in the IT/ITES sector,
- Continued work from home in many businesses

Indian Real Estate Affordability Index



Source: HDFC Investor Presentation & Ventura Research

With the opening of offices and malls in CY22 along with the leasing of new office spaces in the coming years, we are expecting a strong recovery in commercial real estate (CRE). Barring any COVID fourth-wave disruption, we expect the overall Indian real estate to witness a strong revival in CY22.

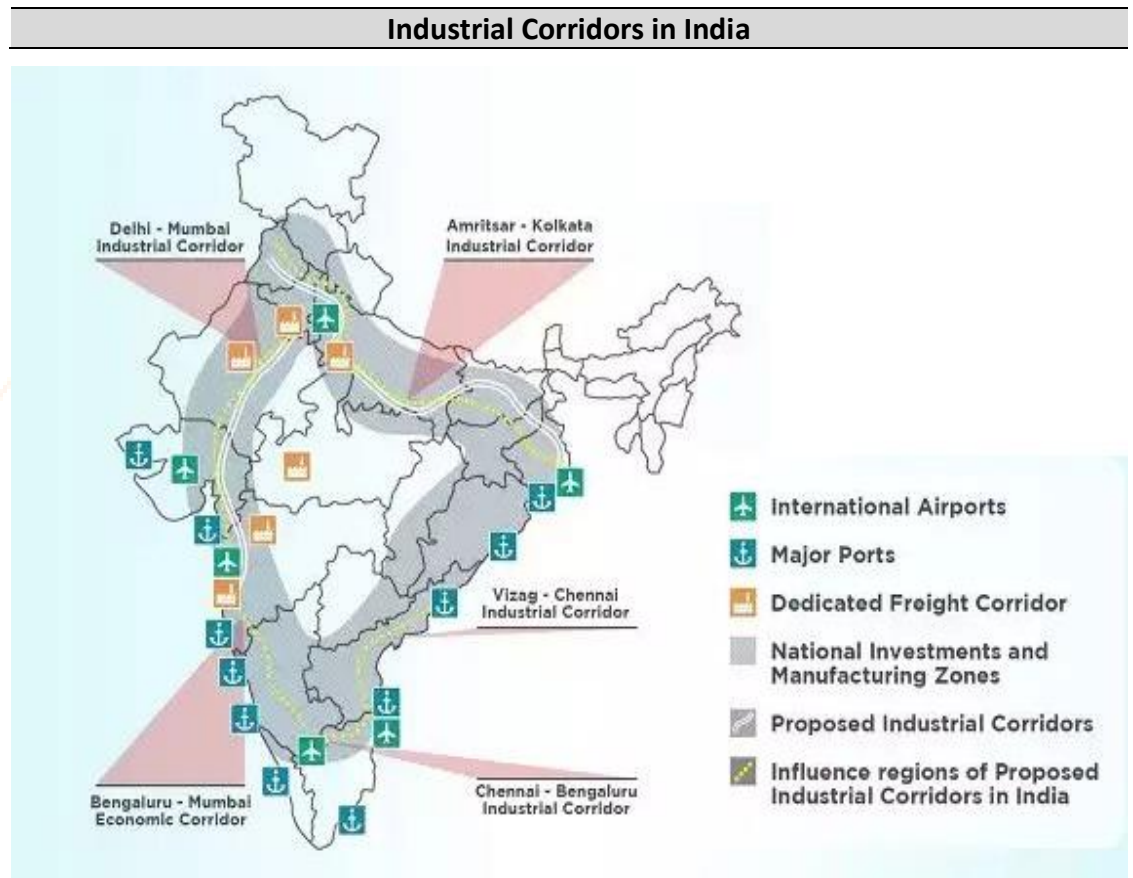
Two initiatives by the government to accelerate real estate in cities and towns

Smart City Mission is an innovative initiative under the Ministry of Housing & Urban Affairs, to drive economic growth and improve the quality of life by enabling local development and harnessing technology. The objective of this mission is to promote cities that provide core infrastructure with a clean & sustainable environment and application of Smart Solutions.

Pradhan Mantri Awas Yojana (PMAY) addresses urban housing shortage among the Urban Poor including the slum dwellers by ensuring a 'pucca house' to them. The Mission covers the entire urban area consisting of statutory towns, notified planning areas, development authorities, special area development authorities, industrial development authorities or any such authority under central/state legislation which is entrusted with the functions of urban planning & regulations. Over 1.12 cr houses sanctioned and over 83 lakh houses grounded under PMAY.

Developments of Industrial Corridors

The Indian government has approved the development of eleven Industrial Corridors with 32 Projects to be developed in four phases in the country as part of the National Industrial Corridor Programme (NICP) which are under various stages of conceptualization/development /implementation.



Source: Ministry of Commerce & Industry

These industrial corridors are aimed at the development of futuristic industrial cities in India which can compete with the best manufacturing and investment destinations in the world. The government is developing or planning industrial corridors along with multiple multimodal transportation projects, such as rail or national highways, which have the potential to infuse equitable and sustainable urbanisation by creating economic nodes across the country, thereby reducing the need for migration to the megacities of India. It will not only increase the construction activities of industrial corridors but will also enhance the real estate for residual and commercial buildings. The same will create significant opportunities for factory structures and scaffolding.

New and Upcoming Industrial Corridors in India

Corridor	No of Projects	Name	Status
DMIC: Delhi Mumbai Industrial Corridor	10	Dholera Special Investment Region (DSIR), Gujarat	Under Implementation
		Shendra Bidkin Industrial Area (SBIA), Maharashtra	
		Integrated Industrial Township – Greater Noida (IIT-GN), UP	
		Integrated Industrial Township – Vikram Udyogpuri (IIT-VUL), MP	
		Integrated Multi-Modal Logistics Hub – Nangal Chaudhary, Haryana	Project has been approved on 30/12/2020
		Multi Modal Logistics Hub & Multi Modal Transport Hub (MMLH & MMTH), UP	
		Dighi Port Industrial Area, Maharashtra	
		Multi Modal Logistics Park, Sanand, Gujarat	
Jodhpur Pali Marwar Industrial Area, Rajasthan	1	Khushkhera Bhiwadi Neemrana Industrial Area, Rajasthan	Project development activities underway
Extension of CBIC to Kochi via Coimbatore	2	Tumakuru Industrial Area, Karnataka	Project development activities underway
		Ponneri Industrial Area, Tamil Nadu	
AKIC: Amritsar Kolkata Industrial Corridor	7	Palakkad Industrial Area, Kerala	Project development activities underway
		Dharmapuri, Tamil Nadu	
		Raghunathpur Industrial Park, WB	
		Hisar Integrated Manufacturing Cluster IMC, Haryana	
		Prag Khurpia Integrated Manufacturing Cluster IMC, UK	
		Rajpura Patiala IMC, Punjab	
IMC at Gaya, Bihar	1	IMC at Jharkhand	Project development activities have not initiated yet
HWIC: Hyderabad Warangal Industrial Corridor	1	Hyderabad, Phase 1, Telangana	
HBIC: Hyderabad Bengaluru Industrial Corridor	1	Orvakal Industrial Area, AP	
BMIC: Bengaluru Mumbai Industrial Corridor	2	Dharwad Node, Karnataka	
		Satara Node, Maharashtra	
VCIC: Vizag Chennai Industrial Corridor	3	Koparthy Industrial Area, AP	Project development activities underway
		Vishakhapatnam Industrial Area, AP	
		Chitoor Industrial Area, AP	
OEC: Odisha Economic Corridor	2	Paradip-Kendrapada-Dhamra-Subarnarekha, Odisha	
		Gopalpur-Bhubaneshwar-Kalinganagar, Odisha	
DNIC: Delhi Nagpur Industrial Corridor	1	Under conceptualization	

Source: Ministry of Commerce & Industry

Ventura Business Quality Score

Key Criteria	Score	Risk	Comments
Management & Leadership			
Management Quality	8	Low	The management is of high quality. It has been able to deliver on guidance; it is investor-friendly and shares timely updates on developments
Promoters Holding Pledge	3	High	Post listing, the promoter holding of 66.0% is comfortable, and there is zero pledge on the promoters' holding as of 31st Dec 2021
Board of Directors Profile	7	Low	The average experience of directors is >20 years with significant experience in their respective sectors and expert areas
Industry Consideration			
Industry Growth	8	Low	MS Tubes and Scaffoldings are the key requirement areas in construction, oil & gas and water. All three segments are under the core focus area of the government.
Regulatory Environment or Risk	7	Low	There is no regulatory risk to any of the products of the company
Entry Barriers / Competition	8	Low	B2B and industrial relations are long terms in nature. Capital goods and EPC companies do not change their supplier frequently due to customization of products and quality checks. This is a strong moat.
Business Prospects			
New Business / Client Potential	8	Low	Make in India, China+1 and PLI schemes in various sectors are attracting global manufacturers to set up facilities in India. It is expected to generate significant growth opportunities for HPIL
Business Diversification	8	Low	HPIL has diversified its portfolio from MS Tubes to Scaffolding structures. The company is also planning to enter in GP Pipes segment to explore new opportunities.
Market Share Potential	10	Low	HPIL has a stronghold in Southern India (especially Telangana and Andhra Pradesh). However, it has a limited presence in other parts of the country
Margin Expansion Potential	8	Low	HPIL is generating healthy EBITDA margins due to a better product mix and the recent spike in the average realization due to rally in the commodity market.
Earnings Growth	8	Low	With higher capacities to drive revenue performance and at the same margin profile the company would be able to deliver strong earnings growth
Valuation and Risk			
Balance Sheet Strength	5	Medium	HPIL's working capital to sales is 35-40%, which is on the higher side and impacts free cash flow.
Debt Profile	5	Medium	HPIL's net debt to equity is 1.1X and net debt to EBITDA is 2.3X due to higher dependency on working capital finance.
FCF Generation	5	Medium	Consistent debt requirement and the higher working capital cycle has kept FCF under pressure
Dividend Policy	3	Low	HPIL has not paid dividend since the past 2 years
Total Score	100		
Ventura Score (%)	67	Low	The overall risk profile of the company is good and we consider it as a LOW risk company for investments

Source: Company Reports & Ventura Research

Management Team

Key Person	Designation	Details
Mr Pramod Kumar Kapoor	Chairman and Independent Dire	He holds a Bachelor's degree in Textile Technology from Birendra Narayan Chakrabarty University, Kurukshetra. He has more than 17 years of experience in textile industry. Previously, he has worked as President – Marketing (Textiles- Domestic Sales) in Visaka Industries. Presently, he is into business of plastic manufacturing.
Mr Rupesh Kumar Gupta	Managing Director	He has been the main guiding force behind the growth and business strategy of HPIL. He has more than two decades of experience in steel industry.
Mr Sailesh Gupta	Whole-time Director	He is a Commerce Graduate from Osmania University. He has been a backbone of HPIL for identifying, negotiating and implementing new business opportunities. He is in charge of overall sales & marketing function with focus on continuous communication and building relationships with clients.
Mr Amitabh Bhattacharya	Chief Financial Officer	He is having over 14 years of experience in diverse industries including textiles, tyres and logistics. He has holds bachelors' degree in commerce from University of Calcutta and masters degree in Computer Application from Indira Gandhi National Open University.
Mr Ashish Agarwal	Head – Marketing	He has completed his masters in business administration from Osmania University, Hyderabad. He has more than 4 years of experience in the field of marketing.

Source: Company Reports

Key Risks & Concerns

- Demand and pricing in the metal industry (for both raw materials and finished products) are volatile and are sensitive to the cyclical nature of the industries it serves. Volatility in the steel prices may have a material adverse effect on KFIL's operations, prospects and financial performance.
- HPIL's manufacturing plants and sources of raw materials are in Southern India, and any adverse developments affecting this region could have an adverse effect on the company's business performance.
- HPIL supplies its products to capital goods, infrastructure and construction companies. These sectors are going through a strong revival phase due to the Indian Railways electrification programme, improvement in the real estate sector and the government's focus to improve logistics (rail/road/ports). However, the slowdown in the domestic market or delay in project execution could impact the recovery in these sectors which will directly affect revenue predictions.

Issue Structure and Offer Details

The proposed issue size of HPIL's IPO is INR 130 cr. The price band for the issue is in the range of INR 144-153 and the bid lot is 98 shares and multiples thereof.

Issue Structure		
Category	No of Shares Offered	Allocation
QIB	Not more than 25,50,000 shares	Not more than 30% of the issue size
Non Institutional Investors	Not less than 29,75,000 shares	Not less than 35% of the issue size
Retail Investors	Not less than 29,75,000 shares	Not less than 35% of the issue size

Number of shares based on higher price band of INR 1,033

Source: Company Reports



HPIL's Financial Summary and Analysis

Fig in INR Cr (unless specified)	FY19	FY20	FY21	Fig in INR Cr (unless specified)	FY19	FY20	FY21
Income Statement				Per share data & Yields			
Revenue	133.6	160.8	254.1	Adjusted EPS (INR)	3.1	3.1	5.9
<i>YoY Growth (%)</i>		<i>20.4</i>	<i>58.1</i>	Adjusted Cash EPS (INR)	4.0	5.1	8.4
Raw Material Cost	84.2	90.7	172.9	Adjusted BVPS (INR)	14.2	19.0	27.8
<i>RM Cost to Sales (%)</i>	<i>63.0</i>	<i>56.4</i>	<i>68.0</i>	Adjusted CFO per share (INR)	1.3	0.2	4.1
Employee Cost	5.8	8.3	9.5	CFO Yield (%)	0.8	0.1	2.7
<i>Employee Cost to Sales (%)</i>	<i>4.3</i>	<i>5.2</i>	<i>3.7</i>	Adjusted FCF per share (INR)	(9.5)	(7.7)	(10.1)
Other Expenses	26.6	38.3	37.5	FCF Yield (%)	(6.2)	(5.0)	(6.6)
<i>Other Exp to Sales (%)</i>	<i>19.9</i>	<i>23.8</i>	<i>14.8</i>	Solvency Ratio (X)			
EBITDA	17.0	23.5	34.3	Total Debt to Equity	1.5	1.4	1.1
<i>Margin (%)</i>	<i>12.7</i>	<i>14.6</i>	<i>13.5</i>	Net Debt to Equity	1.4	1.4	1.1
<i>YoY Growth (%)</i>		<i>37.9</i>	<i>45.9</i>	Net Debt to EBITDA	3.0	2.8	2.3
Depreciation & Amortization	2.2	5.2	6.3	Return Ratios (%)			
EBIT	14.9	18.3	28.0	Return on Equity	27.2	18.7	25.4
<i>Margin (%)</i>	<i>11.1</i>	<i>11.4</i>	<i>11.0</i>	Return on Capital Employed	11.1	11.0	13.2
<i>YoY Growth (%)</i>		<i>23.2</i>	<i>52.9</i>	Return on Invested Capital	16.9	16.0	18.7
Other Income	0.3	0.4	0.7	Working Capital Ratios			
Finance Cost	3.6	7.4	7.5	Payable Days (Nos)	21	34	6
Interest Coverage (X)	4.2	2.5	3.7	Inventory Days (Nos)	107	135	115
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	29	52	28
PBT	11.7	11.3	21.2	Net Working Capital Days (Nos)	114	153	137
<i>Margin (%)</i>	<i>8.7</i>	<i>7.0</i>	<i>8.3</i>	Net Working Capital to Sales (%)	31.3	41.9	37.5
<i>YoY Growth (%)</i>		<i>(2.7)</i>	<i>87.0</i>	Valuation (X)			
Tax Expense	3.6	3.4	6.1	P/E	48.6	49.3	25.8
<i>Tax Rate (%)</i>	<i>31.2</i>	<i>30.2</i>	<i>28.6</i>	P/BV	10.8	8.1	5.5
PAT	8.0	7.9	15.1	EV/EBITDA	25.9	19.4	13.7
<i>Margin (%)</i>	<i>6.0</i>	<i>4.9</i>	<i>5.9</i>	EV/Sales	3.3	2.8	1.8
<i>YoY Growth (%)</i>		<i>(1.4)</i>	<i>91.2</i>	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	11.7	11.3	21.2
Net Profit	8.0	7.9	15.1	Adjustments	(0.4)	18.2	23.4
<i>Margin (%)</i>	<i>6.0</i>	<i>4.9</i>	<i>5.9</i>	Change in Working Capital	(4.4)	(25.6)	(28.0)
<i>YoY Growth (%)</i>		<i>(1.4)</i>	<i>91.2</i>	Less: Tax Paid	(3.6)	(3.4)	(6.1)
Balance Sheet				Cash Flow from Operations	3.2	0.5	10.5
Share Capital	13.2	13.2	17.0	Net Capital Expenditure	(32.2)	(12.0)	(23.9)
Total Reserves	22.9	35.1	53.8	Change in Investments	0.3	(0.1)	0.4
Shareholders Fund	36.1	48.3	70.8	Cash Flow from Investing	(31.9)	(12.0)	(23.5)
Long Term Borrowings	31.6	27.2	33.9	Change in Borrowings	26.1	12.3	14.1
Deferred Tax Assets / Liabilities	1.0	2.2	3.6	Less: Finance Cost	(3.6)	(7.4)	(7.5)
Other Long Term Liabilities	0.0	0.0	0.0	Proceeds from Equity	9.9	5.1	5.5
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	0.1	0.2	0.2	Dividend Paid	0.0	(0.8)	0.0
Total Liabilities	68.8	77.9	108.5	Cash flow from Financing	32.4	9.2	12.1
Net Block	42.8	49.5	58.9	Net Cash Flow	3.7	(2.3)	(0.9)
Capital Work in Progress	0.0	0.1	8.3	Forex Effect	0.0	0.0	0.0
Intangible assets under developmer	0.0	0.0	0.0	Opening Balance of Cash	0.3	4.0	1.7
Non Current Investments	0.0	0.0	0.0	Closing Balance of Cash	4.0	1.7	0.8
Long Term Loans & Advances	0.0	0.0	0.2				
Other Non Current Assets	0.2	0.6	0.6				
Net Current Assets	25.7	27.6	40.4				
Total Assets	68.8	77.9	108.5				

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