

# IPO Flash

December 16, 2019

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Prince Pipes and Fittings Limited

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# Sharekhan

by BNP PARIBAS

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IPO Details:	
Issue opens	Wednesday, 18th December 2019
Issue closes	Friday, 20th December 2019
Issue size	Rs.500 crore
Type of issue	Fresh Issue and Offer for sale
Offer size	Fresh Issue of Equity Shares aggregating up to Rs 250 Crore and Offer for Sale of up to Rs 250 Crore
Face value	Rs.10 per share
Price band	Rs.177-178 per share
Bid lot	84 Shares and in multiple thereof
Issue structure	
QIB portion	Not more than 50% of the issue size
Non-institutional portion	Not less than 15% of the issue size
Retail portion	Not less than 35% of the issue size
BRLMs	JM Financial, Edelweiss Financial

Source: Company RHP

#### Shareholding pattern

Shareholder	Pre-issue		Post-issue*		Post-issue^	
	No. of Shares	Holding (%)	No. of Shares	Holding (%)	No. of Shares	Holding (%)
Promoter and Promoter Group	86,442,816	90.06	72,318,522	65.7	72,397,872	65.8
Public and others	9,538,000	9.94	37,786,588	34.3	37,627,888	34.2
<b>Total</b>	<b>95,980,816</b>	<b>100</b>	<b>110,105,109</b>	<b>100</b>	<b>110,025,759</b>	<b>100</b>

Source: Company RHP, Sharekhan Research, \*Lower price band ^Upper Price band

OBJECTS OF THE ISSUE	Amount (Rs cr.)
Repayment or prepayment, in full or part, of certain outstanding loans of the Company	48.17
Financing the project cost towards establishment of a new manufacturing facility*	184.00*
<b>Upgradation of equipment at the manufacturing facilities</b>	<b>82.10</b>
<b>General Corporate Purposes</b>	[.]
<b>Total</b>	[.]

Source: Company RHP, \*Actual cost Rs.196.10, amount deployed as at Dec'10, 2019 Rs.12.10 Cr

## Key Investment rationale

**Continue to optimize the product mix to improve margins:** The company will continue to actively manage its product mix at each of its plants to ensure it is maximizing its profit margins. Its CPVC, PPR and HDPE products have higher margins than its UPVC products and its plumbing products have a higher margin than its other products. Its fittings have higher margins than its pipes and company endeavor to optimize its mix of pipes and fittings to maximize its margins.

**Increase sales of DWC pipes:** DWC pipes are used in underground sewer systems, industrial waste water systems, storm water drainage, cable ducting, and culvert and cross drainage. They are optimized for maximum efficiency in underground sewer systems and have advantages in handling, storage, installation and maintenance. HDPE pipes have a minimum service life of 50 years and are resistant to weathering, chemical fluids and abrasion. HDPE pipes have been gaining prominence over traditional metal and cement pipes, owing to durability, low maintenance and longevity compared with metal pipes. CRISIL Research has forecast that spending on pipes and fittings for water supply and sanitation will grow at a CAGR of 12-14% to Rs 49000 crore in the five-year period Fiscal 2018 to Fiscal 2023. The major demand sources

are public sector projects undertaken by central, state and municipal level bodies. Key growth drivers are: (a) increased spending by state governments and municipal corporations to improve accessibility of water for an ever-increasing population; and (b) Government schemes such as Jawaharlal, JNNURM, AMRUT, Swachh Bharat Mission and Smart Cities Mission, which are likely to boost spending in water supply and sanitation.

**Increase sales of Prince Piping Systems products by reaching out to more retailers and expanding their distribution network:** Company plans to increase sales of its Prince Piping Systems products by increasing the number of retailers who stock its products. It plans to expand the sale of its Prince Piping Systems products into cities where its products are not currently sold as well as consolidating its position in areas where it already have a strong presence. Strategy is to focus on increasing the width and depth of its distribution network by increasing the number of distributors, and the frequency and quantity of its products purchased by retailers through its distributors.

**Set up two new manufacturing plants:** The company plan to set up two new manufacturing plants, one in Jobner (Rajasthan) with an installed capacity of 40,621 tonnes per annum and the other in Sangareddy (Telangana) with an installed capacity of 52,242 tonnes per annum. The company plans to commence production at the Rajasthan plant in Fiscal 2019 and at the Telangana Plant in Fiscal 2020. The opening of these two new plants will improve its efficiency thus making it more competitive. The opening of the Rajasthan plant will increase its capacity and enable it to maintain and improve its order to delivery time to markets in north India. Increased government spending in drinking water and sewerage in northern India will increase demand for its products. Currently, its markets in South India are catered to by its plants in Athal and Haridwar. The opening of the Telangana plant will enable up to compete in these markets more effectively.

**Expand the Trubore brand to new geographies:** The company acquired the Trubore brand in October 2012 and it is now its premium brand. Trubore brand products are currently sold in South India, primarily in Tamil Nadu. It plan to increase sales of its Trubore brand products by increasing its marketing efforts and the number of wholesalers and retailers for its Trubore brand products. It plans to expand the presence of its Trubore brand initially in all other states in South India and then gradually expand in North, East and West India, thereby making its Trubore brand a pan-India brand in the next three or four years.

**Brand building through major marketing initiatives:** The company plans to spend the majority of its below the line advertising budget on activities such as dealer meets, plumber meets, buying merchandise, branding in trade rural activation, new product launch meets, media event sponsorship and exhibitions, customer loyalty programs, industrial projects and digital marketing. It plans to spend the majority of its above the line advertising budget on television commercials. It also plan to spend on hoardings, advertisement on buses, newspapers and magazines. The company plan on spending approximately 30% of its total advertising budget on above the line advertising and approximately 70% on below the line advertising as its primary target audience are influencers and channel partners. Company online and social media marketing strategy for the next five years includes revamping the Prince Piping Systems and Trubore brand websites, creating Facebook and Twitter pages, developing an e-commerce portal, collaborating with various real estate portals, and setting up an online query resolving system. As a part of its marketing strategy, in June 2018 it rolled out an advertising campaign for its Prince Piping Systems brand with a celebrity fronting the campaign.

## Key Risks:

### **Pledge of securities against outstanding bonds issuance**

One of its Promoter Group entities, Express Infra Projects LLP, has issued bonds aggregating up to Rs. 200 crore, of which Rs. 191.5 crore was outstanding as at October 31, 2019. For securing these bonds, its Promoters, and one of its Promoter Group entities had pledged certain Equity Shares aggregating 35% of the Equity Share capital of the Company on a fully diluted basis, with IDBI Trusteeship Services Limited, acting as a trustee on behalf of the bondholders. Further, certain promoters had provided a non-disposal undertaking in relation to additional Equity Shares aggregating 16% of the Equity Share capital of the Company on a fully diluted basis. In relation to bonds issued, its Promoters and one of its Promoter Group Entities may be required to pledge certain Equity Shares held by them. Additionally, certain of its Promoters may be required to undertake additional obligations, including providing a non-disposal undertaking with respect to certain of their Equity Shares. In the event they are required to create such encumbrance and if such encumbrance is enforced, there may be a dilution of the shareholding of its Promoters and Promoter Group and they may face certain impediments in taking decisions on certain key strategic matters involving the company.

### **Personal guarantees given by the promoters**

Three of its Promoters have given personal guarantees in relation to (a) a working capital and term loan for the company from a consortium of banks led by the Standard Chartered Bank, the amount of guarantees provided was Rs. 607.47 crore as at October 31, 2019 and (b) a facility for forward booking of foreign exchange for the Company from Standard Chartered Bank, the amount of guarantees provided was Rs. 5.5 crore as at October 31, 2019. In the event the Company defaults on these debt obligations, the guarantees may be invoked by the lenders. In the event these Promoters do not have other assets to satisfy their obligations under the guarantees, they may be required to sell some or all of their Equity Shares, which could thereby adversely affect these Promoters' ability to manage the affairs of the company.

### **Outstanding litigations against the Company, certain of the Promoters and its Directors**

There are outstanding litigations against the Company, certain of its Promoters and its Directors and any adverse outcome in any of these litigations could have an adverse impact on the business, results of operations and financial condition.

**Demand for its plumbing products and soil, waste and rain water ("SWR") management products is closely tied to the levels of residential and non-residential construction activity in India:** Demand for its plumbing products and soil, waste and rain water ("SWR") management products is closely tied to the levels of residential and non-residential construction activity in India. Any reduction in the activity in one or both of these markets could have a material adverse effect on the business, results of operations and financial condition.

**If governments cease to encourage the building of new houses and related infrastructure:** According to CRISIL Research, the key growth drivers are: (a) increased spending by state governments and municipal corporations to improve accessibility of water for an ever-increasing population; and (b) heightened thrust, in the form of several central government-led schemes, to augment irrigation (e.g., PMKSY), urban infrastructure (WSS schemes such as JNNURM, 18 AMRUT, Swachh Bharat Mission and Smart Cities Mission) and real estate (e.g., Housing for All scheme). Other than government schemes, demand will also be supported by an increase in private sector investments, primarily in the real estate sector. CRISIL Research expects demand for plumbing pipes to grow with the rise in the construction activity in metros as well as tier-II and tier-III cities to drive demand for plastic pipes and fittings. If the governments cease to encourage the building of new houses and related infrastructure, it could have a material adverse effect on its business, results of operations and financial condition.

**Demand for products for use in irrigation is influenced by the growth of the agriculture segment and any reduction in the activity in this segment could have a material adverse effect on the business:** Demand for products for use in irrigation is affected by the levels of the growth in the agriculture segment in India. The level of growth in the agriculture segment is to a major extent impacted by the monsoon each year. India gets relatively more of its agricultural produce from the kharif season (June-September) compared to the rabi season (November-February). A good monsoon season typically bodes well for farmer's incomes and the agriculture segment, and in turn, for the company business. Any reduction in the activity in the agriculture segment could have a material adverse effect on its business, results of operations and financial condition.

**Highly competitive business:** The markets are highly competitive and the company faces significant competition from organized and unorganized pipe manufacturers. Competition among manufacturers in the markets is based on many factors. According to CRISIL Research, the success of players in the industry depends on: (a) a pan-India presence; (b) size of distribution network; (c) product portfolio; (d) the end-use sectors they cater to; and (e) presence in pipes as well as fittings segment. If the company fail to compete effectively, it would have a material adverse effect on the business.

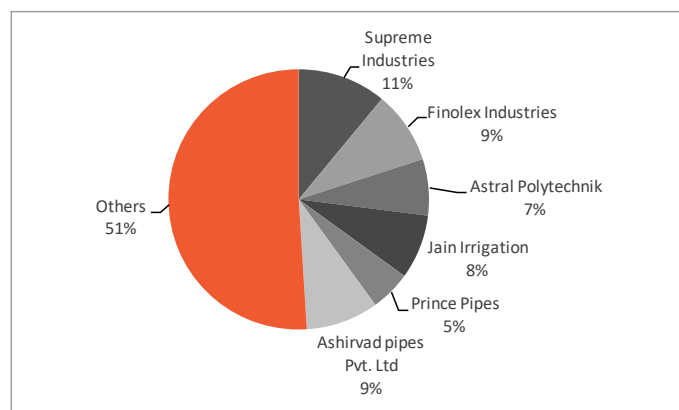
**Increases in the cost of raw materials:** The company primary raw materials comprise UPVC, CPVC, PPR and HDPE resins, which are derived from crude oil by-products. Crude oil prices are volatile and any increases in the price of crude oil would lead to increases in the prices of the raw materials required to manufacture the products.

**Depreciation of the Rupee:** The company import some of the raw material and equipment/machinery utilized in the manufacturing plants and it also borrow from time to time in foreign currency. Any depreciation in the Rupee vis-a-vis these foreign currencies, to the extent its exposure is unhedged, would adversely affect its financial condition and results of operations. In addition, depreciation in the rate of exchange of the Rupee and the U.S. dollar would lead to increases in the prices of the domestic raw materials required to manufacture the products. If the company is unable to pass on increases in the costs of raw materials to customers in the form of higher prices for its products, it would adversely affect the financial condition and results of operations.

## Competitive Landscape

The organised segment in the pipes and fittings industry accounts for a 60-65% share of the country's plastic pipes industry. However, depending on the category, the share of organised players fluctuates accordingly. Supreme Industries enjoys the largest market share of about 11%, as of Fiscal 2019, followed by Finolex Industries (9%), and Ashirvad Pipes (9%). The share of Prince Pipes and Fittings increased to 5% in Fiscal 2019 from 4.5% in Fiscal 2016.

Market share in FY2019



Source: Company RHP

**Product diversification in the pipe segment**

Product	Ashirvad Pipes	Astral Polytechnik	Finolex Industries	Supreme Industries	Prince Pipes and Fittings	Jain Irrigation
PVC pipes	✓	✓	✓	✓	✓	✓
CPVC pipes	✓	✓	✓	✓	✓	✓
HDPE pipes	X	✓	X	✓	✓	✓
PPR pipes	X	X	X	✓	✓	✓

Source: Company RHP

**Financial parameters**

Product		Prince Pipes and Fittings Limited	Supreme Industries Ltd.*	Finolex Industries Ltd.*	Astral Polytechnik Ltd.*	Jain Irrigation Systems Ltd.*#	Ashirvad Pipes Pvt. Ltd.
Year	Unit	FY19	FY19	FY19	FY19	FY19	FY19
Operating Income	Rs cr.	1,571.9	5,608.1	3,086.8	1,917.5	4,488.5	2,672.8
Share of plastic pipes	%	100.0	56.5	83.4	100.0	48.6	100.0
OPM	%	12.2	14.4	19.5	16.1	16.3	18.8
RoCE	%	22.6	32.7	20	20.5	9.7	33.8
ROE	%	20.5	25.0	13.2	13.8	5.06	23.7
NPM	%	5.2	8.2	11.3	7.4	5.2	10.7
Sales growth	%	19.0	11.8	13.3	18.9	15.6	25.7
NP growth	%	11.7	12.5	17.1	18.8	19.3	101.6

Source: Company RHP, \* The above financials are on a standalone basis. # For Jain Irrigation, segmental revenue as reported under the segment 'plastic division', and not only pipes

**Comparison with Listed Peers**

Name of the company	Face Value per Equity Share (Rs.)	Total Income # (Rs cr.)	Basic EPS (Rs.)	P/E @ (Based on Basic EPS)	RoNW \$ (%)	NAV per equity share ^ (Rs.)
Prince Pipes and Fittings Limited ~	10	1,578.995	9.26	23.5***	21.18%	43.71
Peer Group *						
Astral Poly Technik Limited	1	2,522.733	16.27	70.06	15.45%	106.64
Finolex Industries	10	3,131.734	29.59	18.85	14.26%	207.6
Supreme Industries	2	5,619.770	35.32	31.85	20.83%	169.57

Source: Company RHP, \*Peer Group Companies' financial details set out in the above table are based on their respective consolidated audited results as at and for the year ended March 31, 2019. # Total Income refers to Revenue from Operations and Other Income. ~ Company information is based on the Restated Financial Statements as at and for the year ended March 31, 2019. \*\*\*P/E based on FY19 EPS calculated on post issue number of equity shares @ P/E Ratio has been computed using the closing market prices of the peer companies on BSE sourced from BSE's website as on Dec 16, 2019, as divided by the basic and diluted EPS respectively. \$ RoNW has been calculated as Profit after Tax (post minority interest, if any) divided by the Net Worth of these companies. Net worth has been computed as sum of Share Capital and Reserves & Surplus (attributable to equity shareholders). ^ Net asset value per equity share is calculated as the Net Worth of the peer companies (as mentioned in the point 5 above), divided by the outstanding number of fully paid up equity shares. ! The industry composite has been calculated as the arithmetic average of the industry peer set disclosed above.

## Valuations:

Prince Pipes has over three decades experience in polymer pipes segment with varied applications in plumbing, irrigation, and soil, waste and rain water (“SWR”) management. The company’s strategically located six plants gives it strong presence in North, West and South India. The company is in expansion stage with capacity expansion plan at Rajasthan and Telangana (through IPO funds). It has a strong earnings growth profile with revenue/EBITDA/Net Profit CAGR of 13.3%/23.8%/ 41.2% for FY2016-FY2019. The balance sheet is reasonably healthy with Debt/Equity as of June 2019 at 0.6x. Prince has healthy return ratios (RoE & RoCE of 20.5% and 22.6% as on FY2019) which is comparable to its listed peers. At the upper price band of Rs. 178, stock is available at a P/E of 23.5x of FY19 EPS (calculated on post issue number of equity shares).

## About the company:

Prince Pipes and Fittings Ltd was incorporated as ‘Prince Pipes and Fittings Private Limited’ on November 13, 1987, at Mumbai, Maharashtra. The Company is recognized as one of the leading polymer pipes and fittings manufacturers in India in terms of number of distributors (Source: CRISIL Research Report). It manufactures polymer pipes using four different polymers: UPVC; CPVC; PPR; and HDPE, and fittings using three different polymers: UPVC; CPVC; and PPR. As at June 30, 2018, it had a product range of 7,480 SKUs. Its products are used for varied applications in plumbing, irrigation, and soil, waste and rain water (“SWR”) management. It has five manufacturing plants, which has enabled it to develop a presence in North, West and South India. Its plants are located at the: Athal (Union Territory of Dadra and Nagar Haveli); Dadra (Union Territory of Dadra and Nagar Haveli); Haridwar (Uttarakhand); Chennai (Tamil Nadu); and Kolhapur (Maharashtra). The total installed capacity of its five existing plants is 242,916 tonnes per annum as at July 31, 2018. It uses two contract manufacturers in Aurangabad (Maharashtra) and one in Hajipur (Bihar). It plans to set up two new manufacturing plants, one in Jobner (Rajasthan), which is near Jaipur, with an installed capacity of 40,621 tonnes per annum and the other in Sangareddy (Telangana) with an installed capacity of 52,242 tonnes per annum. It plans to commence production at the Rajasthan plant in Fiscal 2019 and at the Telangana Plant in Fiscal 2020. It sells its Prince Piping Systems products to distributors, who then resell the products to wholesalers, retailers, and plumbers. As at June 30, 2018, it sold their Prince Piping Systems products to 843 distributors in India. It sells its Trubore products directly to wholesalers and retailers. As at June 30, 2018, it sold their Trubore products to 212 wholesalers and retailers.

## Brief profiles of its Directors

**Jayant Shamji Chheda**, aged 73 years, is the Chairman and Managing Director of the Company. He has been associated with the Company since incorporation as a Director. He has passed the Senior Secondary Certificate Examination. He has over three decades of experience in the plastic industry.

**Parag Jayant Chheda**, aged 48 years, is an Executive Director of the Company. He has been associated with the Company since April 27, 1996 as a Director. He holds an associate degree in business administration from Oakland Community College. He has over 21 years of experience in the piping industry.

**Jayant Chheda**, aged 44 years, is an Executive Director of the Company. He has been associated with the Company since March 11, 1997 as a Director. He holds a higher secondary certificate from the Maharashtra State Board of Secondary and Higher Secondary Education. He has over 20 years of experience in the piping industry.

**Rajesh R. Pai**, aged 48 years, is a Non-executive Director of the Company. He was appointed to its Board on November 26, 2019. He holds a master’s degree in business administration from the University of Chicago and a master’s degree in computer science from Arizona State University. He has a bachelor’s degree in computer engineering from the University of Bombay. He has several years of experience in private equity.

**Ramesh Chandak**, aged 72 years, is an Independent Director of the Company. He was appointed to the Board on September 16, 2017. He holds a master's degree in commerce from Nagpur University and is also a fellow of the Institute of Chartered Accountants of India since May 12, 1976. He has over four decades of experience as a chartered accountant.

**Mohinder Pal Bansal**, aged 62 years, is an Independent Director of the Company. He was appointed to the Board on September 16, 2017. He holds a bachelor's degree in Commerce from Punjab University and he is also a fellow of the Institute of Chartered Accountants of India. He has over three decades of experience as a chartered accountant.

**Dilip Deshpande**, aged 68 years, is an Independent Director of the Company. He was appointed to the Board on June 29, 2019. He holds a bachelor's degree in science and technology (petro-chemical technology) from Nagpur University. He has several years of experience in polymers and plastics processing industries.

**Uma Mandavgane**, aged 52 years, is an Independent Director of the Company. She was appointed to the Board on September 16, 2017. She holds a bachelor's degree in commerce from the University of Bombay. She is an associate of the Institute of Chartered Accountants of India and is qualified as a Certified Information Systems Auditor from ISACA, USA. She has 22 years of experience in industry and consulting.

*Source: Company RHP*



## Financials

### Balance Sheet

	Rs. cr				
Particulars	2016	2017	2018	2019	Q1FY20
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	231.4	263.7	332.4	359.5	360.1
Capital Work in Progress	14.1	18.0	14.7	61.5	76.6
Right-Of-Use Assets	2.2	1.1	7.8	6.2	5.8
Goodwill	0.3	0.3	0.3	0.3	0.3
Other Intangible Assets	3.6	3.5	4.2	3.6	3.5
<b>Financial Assets</b>					
Investments	0.5	0.7	0.7	0.8	0.9
<b>Loans</b>	<b>5.4</b>	<b>5.1</b>	<b>7.3</b>	<b>7.4</b>	<b>8.0</b>
Other Financial Assets	0.0	0.0	0.0	8.7	8.7
Other Non-Current Assets	2.6	1.4	69.2	58.2	62.3
<b>Total Non-Current Assets</b>	<b>260.1</b>	<b>293.9</b>	<b>436.6</b>	<b>506.2</b>	<b>526.1</b>
<b>Current Assets</b>					
Inventories	100.5	174.2	241.5	201.1	218.7
<b>Financial Assets</b>					0.0
Investments	1.0	0.0	0.0	0.0	0.0
Trade Receivables	239.0	236.7	239.4	250.4	190.5
Cash and Cash Equivalents	0.0	2.7	0.2	8.9	0.3
Other Balances with Banks	8.5	9.7	9.4	13.4	12.8
Loans	0.4	0.4	0.3	0.2	0.2
Other Financial Assets	0.3	0.1	0.3	0.1	0.3
Income Tax Assets (net)	1.5	2.4	-	0.5	0.0
Other Current Assets	41.9	40.4	45.1	59.6	65.7
Assets classified as held for sale	0.0	0.0	7.1	0.0	0.0
<b>Total Current Assets</b>	<b>393.2</b>	<b>466.6</b>	<b>543.2</b>	<b>534.2</b>	<b>488.3</b>
<b>Total Assets</b>	<b>653.3</b>	<b>760.5</b>	<b>979.9</b>	<b>1,040.4</b>	<b>1,014.5</b>
<b>EQUITY AND LIABILITIES</b>					
Equity					
Equity Share Capital	48.0	45.0	90.0	90.0	90.0
Other Equity	136.2	197.5	226.6	310.8	337.8
<b>Total Equity</b>	<b>184.2</b>	<b>242.5</b>	<b>316.6</b>	<b>400.8</b>	<b>427.9</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	89.5	105.8	146.2	105.8	98.2
Lease Liabilities	0.9	0.0	6.1	4.4	4.0
Other Financial Liabilities	14.0	15.5	16.2	16.0	16.1
Provisions	4.3	4.5	6.9	7.8	8.5
Deferred Tax liabilities (Net)	10.9	11.7	12.7	13.5	11.4
Other Liabilities	0.0	0.0	0.5	0.0	0.0
<b>Total Non-Current Liabilities</b>	<b>119.6</b>	<b>137.5</b>	<b>188.6</b>	<b>147.6</b>	<b>138.2</b>
<b>Current Liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	185.9	188.8	169.8	145.7	160.9
Lease Liabilities	1.1	0.9	1.8	1.7	1.6
Trade Payables – MSME	5.0	6.8	5.0	4.6	3.3
Trade Payables – Other than MSME	94.2	95.3	192.0	210.6	167.1
Other Financial Liabilities	55.8	74.4	96.4	111.5	103.4
Provisions	2.1	2.4	1.2	1.6	1.1
Current tax Liabilities	0.0	0.0	2.7	0.0	2.9
Other Liabilities	5.6	11.9	5.8	16.5	8.1
<b>Total Current Liabilities</b>	<b>349.6</b>	<b>380.5</b>	<b>474.7</b>	<b>492.1</b>	<b>448.4</b>
<b>Total Liabilities</b>	<b>469.1</b>	<b>518.0</b>	<b>663.3</b>	<b>639.6</b>	<b>588.6</b>
<b>Total Equity and Liabilities</b>	<b>653.3</b>	<b>760.5</b>	<b>979.9</b>	<b>1,040.4</b>	<b>1,014.5</b>

Source: Company RHP

**Profit & loss account**

	Rs. cr				
Particulars	2016	2017	2018	2019	Q1FY20
Revenue from Operations	1,081.1	1,330.0	1,320.5	1,571.9	379.8
Other Income	0.6	2.5	6.0	7.1	0.4
<b>Total Revenue</b>	<b>1,081.6</b>	<b>1,332.5</b>	<b>1,326.6</b>	<b>1,579.0</b>	<b>380.2</b>
<b>Expenses</b>					
Cost of Materials Consumed	704.7	836.5	893.8	1,072.9	279.0
Purchase of Stock-in-Trade	32.7	107.5	46.2	34.1	6.3
Changes in Inventories of Finished Goods	8.7	-55.0	-18.6	20.4	-16.4
Excise duty	73.7	83.5	5.5	0.0	0.0
Employee Benefit Expense	52.7	61.0	72.6	78.3	19.8
Finance Cost	33.5	36.4	36.1	36.4	7.4
Depreciation and Amortization Expenses	29.7	32.8	38.1	45.2	11.8
Other Expenses	108.9	133.8	157.7	180.3	38.4
<b>Total Expenses</b>	<b>1,044.6</b>	<b>1,236.6</b>	<b>1,231.4</b>	<b>1,467.5</b>	<b>346.3</b>
<b>Profit before exceptional items and tax</b>	<b>37.0</b>	<b>95.9</b>	<b>95.2</b>	<b>111.5</b>	<b>33.9</b>
Exceptional Items	0.0	0.0	0.0	0.0	0.0
Profit before tax	37.0	95.9	95.2	111.5	33.9
<b>Tax expense</b>					
Current tax	8.2	20.9	21.5	27.2	9.4
Deferred tax	-0.7	0.8	0.9	0.9	-2.2
(Excess) / Short Provision for tax adjustments in respect of earlier years (Net)	0.0	0.0	0.0	0.0	0.0
<b>Total Tax Expense</b>	<b>7.5</b>	<b>21.7</b>	<b>22.4</b>	<b>28.1</b>	<b>7.3</b>
<b>Profit for the year</b>	<b>29.5</b>	<b>74.2</b>	<b>72.8</b>	<b>83.4</b>	<b>26.7</b>
EPS (Rs.)	3.2	7.9	8.1	9.3	3.0

Source: Company RHP

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