

Syrma SGS Technology Ltd



Syrma SGS Technology Ltd

Issue Opens On
August 12, 2022

Issue Closes On
August 18, 2022

Price Band (INR)
209-220

Issue Size (INR Mn)
8,364-8,401

Rating
SUBSCRIBE

Syrma SGS Technology Ltd (SSTL) is an electronics manufacturing services (EMS) company that provides product design, rapid prototype, PCB assembly, Box build, repair and rework, and automation tester development services. Syrma SGS also offers OEM RFID tags, inlay solutions, and high-frequency magnetic components. The company was incorporated on August 23, 2004. The company's promoters are Sandeep Tandon, Jasbir Singh Gujral, Veena Kumari Tandon, and Tancom Electronics Private Limited. SSTL is one of the fastest-growing Indian-based ESDM (Electronics System Development and Maintenance) companies. It has a strong record of technical innovation, including a partnership with the engineering teams of its flagship customers. The company operates 11 strategically positioned manufacturing plants in India's north and south regions. With strong R&D capabilities, SSTL is focused on technical innovation.

OFFER STRUCTURE

Particulars	IPO Details
No. of shares under IPO (#)	4,00,20,078-3,81,87,542
Net offer (# shares)	4,00,20,078-3,81,87,542
Price band (INR)	209-220
Post issue MCAP (INR Mn.)	36,832-38,770

Source: IPO Prospectus

Indicative Timetable	
Offer Closing Date	August 18, 2022
Finalization of Basis of Allotment with Stock Exchange	On or about 23 rd Aug' 22
Initiation of Refunds	On or about 24 th Aug' 22
Credit of Equity Shares to Demat accounts	On or about 25 th Aug' 22
Commencement of Trading of Eq.shares on NSE	On or about 26 th Aug'22

Source: IPO Prospectus

Issue	# Shares	INR in Mn	%
QIB	1,90,93,771	4,201	50%
NIB	57,28,131	1,260	15%
Retail	1,33,65,640	2,940	35%
Net Offer	3,81,87,542	8,401	100%

Source: IPO Prospectus

Objects of the Offer: The net proceeds will be utilized for the following purpose		
Funding capital expenditure requirements for development of a R&D facility and expansion / setting up of manufacturing facilities		
Funding the company's working capital requirements		
General corporate purposes		
Shareholding Pattern	Pre-Issue (%)	Post-Issue (%)
Promoters & Promoters Group	61.47%	47.42%
Others	38.53%	52.58%
Total	100.0%	100.0%

Source: IPO Prospectus

Particulars (In INR Mn)*	FY20	FY21	FY22
Revenue	8,657	8,874	12,666
EBITDA	1,366	999	1,260
EBITDA Margin	15.8%	11.3%	9.9%
PAT	971	655	765
PAT Margin	11.2%	7.4%	6.0%
Net Worth	1,221	1,317	5,721
RONW	79.5%	49.7%	13.6%

Source: IPO Prospectus, * Restated Statement

Syrma SGS Technology Ltd

Company Overview

SSTL is a technology-focused engineering and design company engaged in turnkey electronics manufacturing services (EMS), specializing in precision manufacturing for diverse end-use industries, including industrial appliances, automotive, healthcare, consumer products and IT industries. It is one of the fastest-growing Indian-headquartered ESDM companies. The company has a track record of technical innovation, which involves working with the engineering teams of its marquee customers over the years. It has evolved to provide integrated services and solutions to OEMs, from the initial product concept stage to volume production through concept co-creation and product realization. The manufacturing infrastructure enables a high mix of products with flexible production volume requirements. SSTL is a leader in high-mix low, volume product management and is present in most industrial verticals. The company is also amongst the top key global manufacturers of custom RFID tags.

The company operates through 11 strategically located manufacturing facilities in north India (i.e., Himachal Pradesh, Haryana and Uttar Pradesh) and south India (i.e., Tamil Nadu and Karnataka). Its presence in these states enables it to efficiently cater to the requirements of its customers in north and south India. The company is focused on technological innovation through its R&D capabilities. The company has three dedicated R&D facilities, two of which are in India at Chennai, Tamil Nadu and Gurgaon, Haryana respectively, and one is in Stuttgart, Germany. The R&D facilities are equipped with state-of-the-art research and development infrastructure.

During FY20, FY21, and FY22, the company reported its revenues at INR 2,804.3 Mn, INR 1,931.3 Mn and INR 2,521.2 Mn, out of which 70.0%, 43.9% and 39.0%, respectively were attributable to its original design manufacturing services. SSTL has a comprehensive product portfolio with applications across diverse end-use industries. Its products primarily focus on ODMs and OEMs serving end-use industries, including the automotive, healthcare, IT, industrial appliances, energy management, water purification, power supply and consumer products industries.

The company's marquee customers include TVS Motor Company Limited, A. O. Smith India Water Products Pvt. Ltd., Robert Bosch Engineering and Business Solution Pvt Ltd, Eureka Forbes Limited, CyanConnode Limited, Atomberg Technologies Private Limited, Hindustan Unilever Limited, and Total Power Europe B.V. Its products are sold in over 24 countries (apart from India), including the USA, Germany, Austria, and UK.

SSTL is backed by a robust supplier network. The company leverages its global sourcing capabilities to optimize its costs while maintaining the quality of its products resulting in lower lead time to the market.

The company acquired SGS Teknics in September 2021 and Perfect ID in October 2021 to expand its market share in the EMS sector and widen the geographical footprint in the national market. The acquisition of SGS Teknics provided ample headroom for growth as there was almost no overlap of customers and the geographies being serviced by the company and SGS Teknik. SSTL acquired Perfect ID in October 2021, pursuant to which it acquired the infrastructure and know-how for the manufacture of RFID label tags and passive inlay tags, which was in addition to its existing capabilities for the manufacture of RFID hard tags, thus expanding its RFID products portfolio.

SSTL has led by a well-qualified and experienced management team, which has demonstrated its ability to manage and grow its operations. The knowledge and experience of its management team provide a significant competitive advantage as the company seek to grow its business.

Product Overview

- PCBA:** A circuit board prior to the assembly of electronic components is known as a printed circuit board (PCB), and following the soldering of electric components onto it, the board is called a printed circuit board assembly (PCBA). The company has the capability of manufacturing various types of PCBs, ranging from flexible PCBs to 28-layer PCBs. PCBAs are used in products manufactured in the automotive, medical, industrial, IT and consumer products industries. These include head & tail lamps, fuel dispensing controllers, EV – BCU, ECU, BMS (all of which are used in the automotive industry), CPU board, DO Generic, interlocking electronic systems (all of which are used in the railway industry), LED display modules (which are used in the power industry), processor module (IAF), radar target tracker (all of which are used in the defence industry). Apart from this, it also has other applications in cars, tractors, X-ray machines, computers and laptops, telecommunication, networking, power supply, and electric mobility, among others.
- Radio frequency identification (RFID) products:** Radio Frequency Identification (RFID) is a form of wireless communication that incorporates the use of electromagnetic or electrostatic coupling in the radio frequency portion of the electromagnetic spectrum to uniquely identify an object, animal or person. Their main applications are in asset tracking and authentication procedures. Each RFID type can be either active (powered), passive (un-powered) or semi-passive (battery-assisted). They are also categorised based on their frequency, i.e., low-frequency (LF) RFID tags (30 kHz to 300 kHz), high-frequency (HF) RFID tags (3 to 30 MHz), and ultra-high-frequency (UHF) RFID tags (300 MHz to 3GHz). RFID products are used in products manufactured in the shipping, healthcare, manufacturing, retail and fintech industries. It has various applications, including pet and livestock tracking, inventory management, asset tracking and equipment tracking, inventory control, cargo and supply chain logistics, vehicle tracking, customer service and loss control, and access control in security protocol requirements.

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Product Overview

- **Electromagnetic and electromechanical parts:** SSTL manufactures standard electromagnetic components like chokes, inductors, magnetic filters, transformers, as well as high-volume manufacturing assemblies. The manufacturing process involves winding a copper wire on a core or bobbin. The winding is done manually or through machines. Once the winding is done, the leads are trimmed, the varnish is applied, and the product is tested. The electromagnetic and electromechanical parts are used in products manufactured in the automotive, industrial appliances, consumer appliances and healthcare industries, among others and are used in power supply products, DC converters, chargers etc. In addition, this forms part of the components required for its PCBA products.
- **Other Products:** The company manufactures various information technology-related products, including motherboards, DRAM modules, SSD and USB drives. The manufacturing processes for these products are similar to the processes undertaken for the PCBA described above. In addition, these products undergo extensive testing, which includes stress tests, burning tests and reliability/compatibility tests. SSTL also has software that has been developed in-house for failure diagnostics in respect of these products.

Manufacturing Facilities

SSTL has 11 manufacturing facilities spread across five states, namely Tamil Nadu, Karnataka, Himachal Pradesh, Haryana and Uttar Pradesh. In addition, the company is raising proceeds from this Offer towards setting up certain manufacturing facilities. The manufacturing processes are monitored and controlled through the company's manufacturing execution systems, which allows for the product and process traceability through barcodes. This enables it to capture data in real-time, thus empowering its personnel to have a 360-degree view of shop floor inventory, process efficiency and process quality which results in an overall improvement in productivity.

Syrma SGS Technology Ltd

INVESTMENT RATIONALE

One of the industry's leading players in design and electronic manufacturing services, with a strong emphasis on quality and customer relationships:

SSTL is a technology-focused engineering and design company engaged in turnkey Electronics Manufacturing Services (EMS), specializing in precision manufacturing for diverse end-use industries, including industrial appliances, automotive, healthcare, consumer products and IT industries. SSTL is one of the fastest growing Indian-headquartered ESDM companies among the large bouquet of EMS players in India. It is a leader in high-mix low, volume product management and is present in most industrial verticals. It is one of the leading PCBA manufacturers in India, supplying various OEMs and assemblers in the market. The company is also amongst the top key global manufacturers of custom RFID tags. The total electronics market (which includes domestic electronics production and imports of electronic products) in India is valued at INR 6,711 Bn (USD 91 Bn) in FY21, which is expected to grow at a CAGR of 25.5% to reach INR 20,873 Bn (USD 282 Bn) in FY26. The domestic production of electronics is around 74% of the total electronics market in FY21, which is expected to reach around 96% by FY26, with the help of various government initiatives and the development of the electronic ecosystem in India. The global landscape of electronic design and manufacturing is changing significantly, and revised cost structures have shifted the attention of multinational companies to India. India is positioned not only as a low-cost alternative but also as a destination for high-quality design work.

The company has a leading position in the market and is driven by its focus on quality and customer relationships nurtured through prompt responsiveness and ensuring reliability. Given its long experience in the EMS sector and well-experienced leadership, SSTL is in a position to take early advantage of technological developments in the EMS sector, allowing it to promptly address evolving needs of its customers. This has enabled consistent growth in the company's revenue and profitability. The revenue from operations attributable to the industrial appliances industry, consumer products industry, automotive industry, IT industry and other industries grew at a CAGR of 15.8%, 15.1%, 37.4%, 821.0% and 426.6%, respectively, from FY20 to FY22.

Diversified & evolving product mix offering service across multiple industries:

SSTL has diversified and expanded its product portfolio over the years. It has also evolved its operations to provide design and engineering services and original design manufacturing services that cater to various industries, including automotive, healthcare, IT, industrial appliances, energy management, water purification, power supply, and consumer products industries. The diversification and expansion of its product portfolio are primarily driven by the continuously evolving needs of its customers and technological advancements in the industry. The company's continuously evolving product portfolio has helped accelerate its growth and innovate the manner it caters to and thus retains both new and existing customers. SSTL has also evolved its operations to include design and engineering services and original design manufacturing services as part of its service offerings, which has helped increase the wallet share with its existing customers, in addition to bringing in new customers. This has also helped hedge SSTL operations against the potential risk of its offerings becoming obsolete. The evolution of its product portfolio and service offerings has been driven by its R&D capabilities. The company has three dedicated R&D facilities, two of which are located in India at Chennai, Tamil Nadu and Gurgaon, Haryana, respectively, and one is located in Stuttgart, Germany. The company's R&D efforts are focused on (i) the development of new products and improvement of the quality of its existing products, and (ii) driving the design and engineering capabilities and original design manufacturing capabilities of the company. Its strong focus on R&D has helped to increase its wallet share by helping widen its product offerings to the same customer and cross-selling these products to other customers. The R&D capabilities provide solutions to improve its existing manufacturing processes, manufacturing efficiency of its existing products and reduce manufacturing costs. This helps the company to produce high-quality products consistently and also enables it to maintain a cost advantage over its competitors.

Strong established relations with marquee customers across various countries:

SSTL's product portfolio has helped to forge strong relationships with its major clients. The company will continue to focus on strengthening long-standing relationships with well-known customers across the end-use industries. The varied applications of its products have helped the company build a wide customer base across many end-use industries. It has also helped build on existing relationships to provide multiple product-oriented solutions for the varying requirements of its existing customers. The company's marquee customers across the end-use industries include TVS Motor Company Limited, A. O. Smith India Water Products Pvt. Ltd., Robert Bosch Engineering and Business Solution Pvt Ltd, Eureka Forbes Ltd Limited, CyanConnote Limited, Atomberg Technologies Private Limited, Hindustan Unilever Limited and Total Power Europe B.V. The wide customer base across various sectors reduces its dependence on any one end-use industry and provides a natural hedge against market instability in a particular end-use industry. SSTL's products are distributed in India and overseas, in over 24 countries, including the USA, Germany, Austria, and the U.K. The exports provide a natural hedge against losses arising out of exchange rate fluctuations in connection with its import of raw materials and components. The company's large customer base will be a strong driver of its future growth and help expand its market share, develop new products and enter newer markets.

State-of-the-art manufacturing capabilities supported by a global supplier network, with a focus on vertical integration:

SSTL operates through 11 manufacturing facilities spread across five states. Its presence in these states enables it to efficiently cater to the requirements of its customers in north and south India. The manufacturing facilities in Tamil Nadu are located in a special economic zone, and in Haryana, it has been set up under the Electronic Hardware Technology Park scheme, which allows to avail certain tax and other benefits in respect of the products manufactured out of these facilities.

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INVESTMENT RATIONALE

The common manufacturing capabilities across its facilities give the flexibility to seamlessly migrate production between different facilities in case of emergencies. SSTL has been provisionally selected for incentives under the 'Production Linked Incentive Scheme (PLI) for Telecom and Networking Products. These product-linked incentives make the company eligible to manufacture products in categories like access & customer premise equipment (CPE), IOT access devices and other wireless and enterprise equipment. It is also provisionally selected as beneficiaries for the incentives being granted under the 'PLI for White Goods (Air Conditioners & LED Lights)'. This will make the company eligible to make control assemblies for indoor units or outdoor units or remotes for air conditioners and LEDs.

For the manufacturing of its PCBA products, its manufacturing facilities are equipped with modern and high-speed equipment that can handle surface mount components and through hole components. It also has in-circuit testers (ICT) and flying probe testers (FPT), which have been customized for its requirements. These testers ensure that each component on the PCBA is tested effectively and ensures high reliability. The company's RFID products require specialized equipment for winding high and low-frequency coils. For this purpose, the company has automated, high-speed, high-accuracy winding machines. The cost-competitive approach, along with its engineering expertise, enables it to meet the stringent requirements of its customers. SSTL makes use of technology and manufacturing execution systems such as Mentor Graphics for New Product Introduction (NPI) to enhance its workflows and manufacture quality and reliable products.

The company is focused on vertical integration in its manufacturing process. It manufactures various electromagnetic component parts, such as transformers and chokes, which are required for the manufacture of its PCBA products. This helps to increase its efficiency in terms of cost as well as time as it helps eliminate the lead time typically required for procurement of these components. SSTL is able to leverage its state-of-the-art injection moulding equipment to manufacture customized tags and other products where the RFID sensors may be incorporated.

Highly experienced teams:

The company is led by a management team with extensive experience in the EMS sector with a proven track record of performance. The Board comprises eminent individuals with significant experience across various industries and functions. The management team has developed strong working relationships with its employees, which adds to the stability and long-term growth. The highly experienced and dedicated management team also enables the company to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively manage changes in market conditions. SSTL remained focused on the development of human resources by carefully planning and executing recruitment, training and retention of a highly skilled employee base.

Syrma SGS Technology Ltd

Future Growth Strategies

Strengthen and improve its core competitiveness in technological innovation:

SSTL will continue to invest in technology infrastructure, which will support further technical innovation, improve its operational efficiencies, increase customer satisfaction and boosts its financial metrics. The company will focus on optimizing and automating its manufacturing processes to improve returns in a rapidly changing technological environment. It has been adopting strategies to establish a standardized platform across its business units for its processes, hardware and software infrastructure and workforce. SSTL intends to enhance its research and development and design capabilities, which provide a competitive advantage with respect to quality, product development and cost, as well as to continuously explore sustainable cost improvement initiatives for its operations. The company is identifying & adopting new-age technologies for its process and product development. It will continue to expand its R&D capabilities to capitalize on the latest trends. In FY22, the company spent INR 32.57 Mn as part of its research & development expenditure. By developing its R&D capabilities, the company can enhance its product portfolio and explore long-term opportunities. The company is expected to undertake following steps:

1. Plans to develop or purchase new equipment which can improve its production efficiency as well as support its development of new products to satisfy consumer demand.
2. Upgrade its existing manufacturing equipment tailored to different production requirements of different products to increase its production efficiency.
3. Build a new dedicated design services facility, including design services, quick prototype services and infrastructure for developing enclosures and other mechanical elements to provide an end-to-end design services solution and experience for its customers.

Open for strategic acquisition to pursue inorganic growth:

The company is focused on increasing its customer base by enhancing its reach with dedicated resources, diversified product and service offerings and a wide geographical presence. SSTL has increased its customer base in the past through new products and segments, strategic acquisitions and expanded services offerings. The company is working towards tying up with the top three market leaders in each end-use industry, having their largest wallet share.

Increase the wallet share of existing consumers:

SSTL is focusing on increasing its contributions per customer and working closely with them to develop a broader portfolio of products which meet their requirements. The company's continuing R&D activities and its reputation for receptiveness and reliability in respect of its engineering capabilities, quality and timely delivery will help increase its wallet share and product portfolio with existing customers. It has built long-standing relationships with its customers and expects to leverage by capitalizing on the cross-selling and upselling opportunities offered by its diversified product portfolio. The company plans to utilize its expanded geographical footprint to address the sourcing requirements of its existing multinational customers as and when they enter new markets, thereby consolidating its position as a preferred supplier across geographies.

Initiatives to reach more end-use industries:

SSTL has been catering to end-use industries like automotive, healthcare, IT and telecom hardware, industrial products, household appliances, energy management and consumer industries. The company has been focusing on the high margin & flexible volume businesses and will continue to do so. Below are some of the industries that SSTL intends to add to its portfolio by looking at the market size & outlook:

1. **Lighting:** Energy-efficiency initiatives are gaining momentum in India. LED lighting manufacturers are strengthening their capabilities across several activity streams. Energy Efficiency Services Limited (EESL) efforts such as UJALA and SLNP provide vendors with pricing leverage with component suppliers, allowing them to drastically reduce product costs. Pure-play LED lighting companies are a dominant force in Indian market. EMS is essential for LED lighting industry since many manufacturers outsource their LED lighting manufacturing to EMS companies. The EMS market has a significant growth potential going forward. Contribution from EMS market in the total manufacturing was around INR 47 Bn in FY21 and is expected to reach INR 344 Bn in FY26E, at a CAGR of around 49.2%.
2. **Medical electronics:** The Indian medical devices market is experiencing dynamic changes with the emergence of advanced technologies, evolving clinical and administrative needs, and the introduction of new policies and regulations, which is forcing industry participants to innovate to maintain their competitive edge. The EMS market for the medical devices business was around INR 14 Bn in FY21 and is expected to reach INR 82 Bn in FY26E, at a CAGR of around 42.8%.
3. **Aerospace and defense:** India is the 7th largest aerospace and defense market globally. India needs to reduce its dependence on the imports and modernize its aerospace and defense capital equipment base. As the aerospace and defense industry advances, the crucial impact is in terms of the greater capability in the platforms, a substantial portion of this comes from the electronics. Hence electronics in the Indian aerospace and defense industrial plan is the crucial center-piece that needs to be addressed.

Syrma SGS Technology Ltd

Key Strengths

- SSTL is one of the leading design and electronic manufacturing services companies in terms of revenue, driven by its focus on quality and customer relationships;
- The company has a consistent track record of financial performance;
- It has a diversified and continuously evolving and expanding product portfolio and service offerings catering to customers across various industries, backed by strong R&D capabilities;
- It has established relationships with marquee customers across various countries;
- SSTL has state-of-the-art manufacturing capabilities supported by a global supplier network, with a focus on vertical integration;
- The company has an experienced promoter supported by a senior management team with a proven track record of performance.
- It has a long-standing relationship with customers, an opportunity for increased wallet share and not a single customer more than 5%.
- The company was the first in India to manufacture RFID products in India and continues to lead the industry.
- Manufacturing facilities in Tamil Nadu are placed in SEZs, allowing them to take advantage of specific tax and other incentives in relation to the products manufactured at these facilities

Key Risks

- The company generally does not obtain firm, long-term purchase commitments from its customers and frequently does not have visibility as to their future demand for its services.
- Low utilization of its manufacturing facilities could also result in realizing lower margins as SSTL may not be able to undertake manufacturing in large numbers, which is critical to its business.
- The loss of its key customer base may have a material adverse effect on the financial conditions, cash flows and results of operation.
- The insurance coverage may be inadequate to satisfy potential claims, and its insurance policies may not protect the company against all potential losses.
- The dependence on the third party for the supply of raw materials and import majority of its raw materials may turn out to be a risk in case of supply issues or macro uncertainties.

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Outlook and Valuation:

Revenue from operations increased by 42.7% to INR 12,666 Mn in FY22, mainly due to an increase in the sale of manufactured goods. SSTL is one of India's leading electronics exporters, providing a high-value integrated design and production solution for internationally recognized OEMs. It has seen a growth of 20.8% CAGR over FY20-22 on the back of strong demand traction across the industries it serves and also focusing on innovation. The company's objective of the offer is primarily to fund capital expenditure requirements for developing an R&D facility and the expansion / setting up of manufacturing facilities. The funds will also be utilized to meet the company's working capital requirement.

SSTL's IPO size is INR 8,364-8,401 Mn. The price band of the issue is INR 209- INR 220. On the upper price band of INR 220 and EPS of INR 5.25 for FY22, the P/E ratio works out to be 41.9x. As per the prospectus, the valuation looks reasonable considering the average industry P/E of 65.5x. We believe the increasing scope of the EMS sector and the company's diverse product portfolio is ideal for capturing the growth opportunity for the company. Innovation & R&D remain the key factors for growth for SSTL, and we are optimistic the company is well-poised for it. **The company currently has a reasonable valuation compared to its peers. As a result, we recommend that Syрма SGS Technology Ltd IPO be rated 'SUBSCRIBE.'**

Peer Comparison:

The competition in the EMS sector is very moderate. Thus, the top 3 companies account for 28.5% of the market. EMS companies in India have matured from being mere contract manufacturers to end-to-end support partners. Companies are observed to follow either of the two unique business models – High volume / low mix or Low volume / high mix and seldom do companies adopt a mixed approach. Major players are Flextronics, Jabil, Dixon, SFO, Resolute, SSTL, Elin, NTL, Cyient and Foxconn.

As per the company's prospectus, comparison of accounting ratios with listed industry peers:

Name of the company	Face Value (INR per share)	Market Cap (INR Mn)	Revenues for FY22 (INR Mn)	EBITDA margins for FY22 (INR Mn)	Net Profit margins for FY22 (INR)	Basic EPS for FY22 (INR)	P/E for FY22 (x)	RoNW for FY22 (%)	NAV per share (INR)
Syrma SGS Technology Ltd	10.0	38,770*	12,844	9.9	6.0	5.25	41.9*	13.6	32.4
Peer Group									
Dixon Technologies Ltd	2.0	230,615	1,07,009	3.5	1.8	32.31	110.8	21.9	168.1
Amber Entreprises India Ltd	10.0	76,485	42,396	6.5	2.6	32.41	75.5	6.5	75.5

Source: IPO Prospectus

Note:*Considering the upper price band

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Financials:

Income Statement (INR Mn)	FY20	FY21	FY22
Total Revenue from Operations	8,657	8,874	12,666
YoY Growth (%)		2.5%	42.7%
EBITDA	1,366	999	1,260
EBITDA Margin (%)	15.8%	11.3%	9.9%
Other Income	143	169	177
Depreciation	191	228	249
EBIT	1,318	941	1,188
Interest expense	128	71	80
PBT	1,190	869	1,108
Tax	219	213	343
	0	-1	0
PAT	971	655	765
EPS (INR)	6.4	4.6	5.3

Source: IPO Prospectus, KRChoksey Research

Balance Sheet (INR Mn)	FY20	FY21	FY22
Equity Share Capital	7	7	1,376
Other Equity	4,535	5,355	4,344
Total Shareholders' Funds	4,542	5,363	5,721
Non-controlling interest	41	66	108
Total Equity	4,583	5,429	5,829
Borrowings	1,134	925	1,942
Lease Liabilities	117	104	241
Provisions	79	94	110
Deferred Tax Liabilities	87	100	124
Other Non current Liabilities	0	30	33
Trade Payables	1,731	1,902	2,405
Other Financial Liabilities	47	23	171
Other current Liabilities	435	446	652
Current Tax Liabilities	45	14	35
Total Equity & Liabilities	8,259	9,068	11,542
Assets			
Cash and Cash Equivalents	673	633	334
Bank Balance	107	96	35
Trade Receivables	1,804	2,084	2,722
Inventories	1,419	1,789	2,913
Investments	275	363	363
Other Financial Assets	377	467	645
Total Financial Assets	4,655	5,432	7,013
Income Tax Assets (net)	41	36	29
Property, Plant and Equipment	2,015	2,004	2,340
Right of Use Assets	115	95	238
Capital work-in-progress	12	0	391
Goodwill	1,182	1,182	1,182
Other Intangible Assets	36	27	37
Other Non-Financial Assets	203	292	313
Total Non-Financial Assets	3,604	3,636	4,530
Total Assets	8,259	9,068	11,542

Source: IPO Prospectus, KRChoksey Research

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ANALYST CERTIFICATION:

I, Vikrant Kashyap (PGDBM-Finance & IT), Research Analyst, author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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