

RETAIL EQUITY RESEARCH

Shyam Metals and Energy Ltd.

Metals

Sensex: 52,475

Nifty: 15,799

SUBSCRIBE

Price Range Rs.303 - Rs.306

A player with diversified product mix in the metal sector ...

Shyam Metals and Energy Ltd (SMEL) is a leading integrated metal producing company focusing on long steel products and ferro alloys with the ability to sell intermediate and final products across the steel value chain. Incorporated in 2002, they are amongst the largest producers of ferro alloys in terms of installed capacity in India, as of February 2021. As of March 31, 2020, they were one of the leading players in terms of pellet capacity and the fourth largest player in the sponge iron industry in terms of sponge iron capacity in India. They currently operate three manufacturing plants that are located at Sambalpur in Odisha, and Jamuria and Mangalpur in West Bengal.

- The company has a diversified product mix such as, iron pellets, sponge iron, steel billets, TMT, structural products, wire rods, and ferro alloys.
- SMEL's 8 captive power plants which account ~ 90% of the total power units consumed make it self-reliant and cost effective.
- For FY18-20, revenue grew at a CAGR of 8% while PAT de-grew by 19.7% CAGR due to expansions underway and COVID related disruptions, expected to normalize in the near future.
- SMEL is expected to double its current aggregate installed metal capacity from 5.71 MTPA, as of December 31, 2020, to 11.60 MTPA by FY25.
- SMEL's diversification to pig iron, ductile iron pipes and aluminium foil will result in augmentation of profits and further de-risking of the revenue streams.
- Higher capacity utilization (95%, 101%, 97% and 91% in FY18, 19, 20 & 9MFY21 resp.) has led to lower fixed cost per tonne and increase in the profitability.
- Domestic steel demand impacted by COVID-19, will pick up in FY22 and continue its strong growth at 6% through FY25. Restrictions on Chinese exports due to higher domestic demand and surging international steel prices will benefit Indian Steel makers like SMEL.
- SMEL is the least leveraged among its peers, the D/E is at 0.3x in 9MFY21. While the debt to EBITDA is at 1.3x in 9MFY21 compared to 2.5x in 9MFY20. The proceeds from the offer will be used to pay their debt obligations which will further de-leverage their balance sheet and increase their profitability.
- At the upper price band of Rs.306, SMEL is available at EV/EBITDA of 9.1x (FY21 annualized) which appears fully priced. We assign a Subscribe rating, with a short to medium term perspective due to optimistic international prices and rise in domestic demand.

Purpose of IPO

The offer comprises of fresh issue and offer for sale. The proceeds of the offer for sale shall be received by the selling shareholders. The net proceeds of the fresh issue will be utilized for repayment and/or pre-payment of debt of the Company and one of its Subsidiaries (Rs.470cr) and general corporate purposes.

Key Risks

- Decrease in steel prices due to a downturn in the construction and machinery industries or in the economy.
- Manufacturing plants and sources of raw materials are primarily concentrated in eastern India.

Peer Valuation

Company	MCap (Rs cr)	Revenue (Rs cr)	EBITDA margin (%)	EPS	EV/EBITDA	P/E
Shyam Metals & Energy	7,805	4,363	14.8	24*	9.1*	12.8*
Tata Steel	1,39,348	1,36,977	13.0	40	7.9	29
JSW Steel	1,76,711	71,116	18.0	19	6.6	38
Steel Authority of India	55,777	61,051	17.0	5	5.8	26
Jindal Steel	42,958	36,917	21.0	-1.0	4.9	-

Source: Geojit Research, Bloomberg; Valuations of SMEL are based on upper end of the price band, Financials as per FY20. * FY21 Annualised EPS, P/E & EV/EBITDA for SMEL

Issue Details			
Date of Opening	14 th June, 2021		
Date of Closing	16 th June, 2021		
Total no. of Shares offered(cr)	2.97		
Post Issue No. of shares (cr)	25.51		
Price Band	Rs. 303- 306		
Face Value	Rs. 10		
Bid Lot	45 shares		
Minimum application for retail (upper price band for 1 lot)	Rs. 13,770		
Maximum application for retail (upper price band for 14 lot)	Rs. 1,92,780		
Listing	BSE & NSE		
Lead Manager	Axis Capital Ltd, IIFL Holdings Ltd, ICICI Securities Ltd, SBI Capital Markets, JM Financial		
Registrars	KFintech Pvt Ltd.		
Issue size (upper price)		Rs. Cr	
Fresh Issue	657.0		
OFS	252.0		
Total Issue		909.0	
Shareholding (%)	Pre-Issue	Post Issue	
Promoters	100	88	
Public	0	12	
Total	100	100	
Issue structure	Allocation %	Size Rs.cr	
Retail	35	315	
Non -Institutional	15	135	
QIB	50	450	
Emp. Reservation	-	9	
Total	100	909.0	
Y.E March (Rs cr)	FY19	FY20	9MFY21
Sales	4,606	4,363	3,933
Growth (%)	22.9	-5.3	-
EBITDA	944.5	645.6	719.4
Margin%	20.5	14.8	18.3
PAT Adj	636.6	340.3	456.3
Growth (%)	20.6	-46.5	63.7
EPS	27.2	14.6	24*
P/E (x)	11.2	21.0	12.8*
EV/EBITDA	8.4	13.3	9.1*
RoE (%)	25.6	12.0	15.4*

* Annualised



Company Description

SMEL is a leading integrated metal producing company focusing on long steel products and ferro alloys with the ability to sell intermediate and final products across the steel value chain. Incorporated in 2002, they are amongst the largest producers of ferro alloys in terms of installed capacity in India, as of February 2021. As of March 31, 2020, they were one of the leading players in terms of pellet capacity and the fourth largest player in the sponge iron industry in terms of sponge iron capacity in India. They sell products to institutional customers and end consumers through the distribution network. Their domestic customers include Jindal Stainless Limited, Jindal Stainless (Hisar) Limited, and Rimjhim Ispat Limited. The international customers include Norecom DMCC, Norecom Limited, POSCO International Corporation, World Metals & Alloys (FZC), Traxys North America LLC, JM Global Resources Limited, Goenka Steels Private Limited and Vijayshri Steel Private Limited. They currently operate three manufacturing plants that are located at Sambalpur in Odisha, and Jamuria and Mangalpur in West Bengal. As of December 31, 2020, the aggregate installed metal capacity of the manufacturing plants was 5.71 million tonne per annum ("MTPA") (comprising of intermediate and final products).

Product Offerings

Pellet

- Raw material for sponge iron and blast furnace.
- Also sells iron pellets as an intermediate product, primarily in the states of West Bengal, Odisha, Chhattisgarh, Maharashtra and Jharkhand.
- They also export pellet to countries, such as, China.

Sponge Iron

- As raw material for billets and is a substitute of scrap
- Sells sponge iron, an intermediate product, primarily in the states of West Bengal, Chhattisgarh, Jharkhand, Bihar, Assam, Meghalaya, Madhya Pradesh Uttarakhand, Rajasthan, Maharashtra and Gujarat.

Billets

- Typically cast to a rectangular or square cross section compatible with secondary processing.
- Used as raw material for the manufacture of TMT and structural products.
- Also sell billets including customized billets, an intermediate product, primarily in the states of Chhattisgarh, Uttar Pradesh, Punjab, Rajasthan and Maharashtra. They also export billets to Nepal and Bangladesh

TMT, structural products (angles, channels, beams), wire rods and pipes

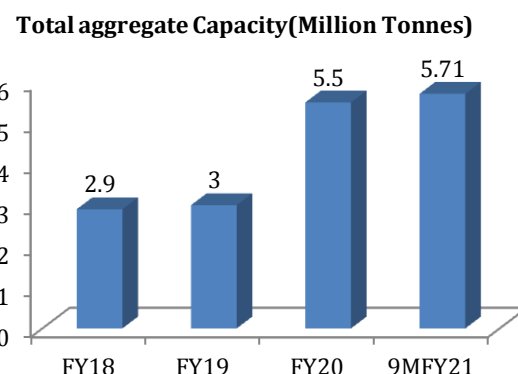
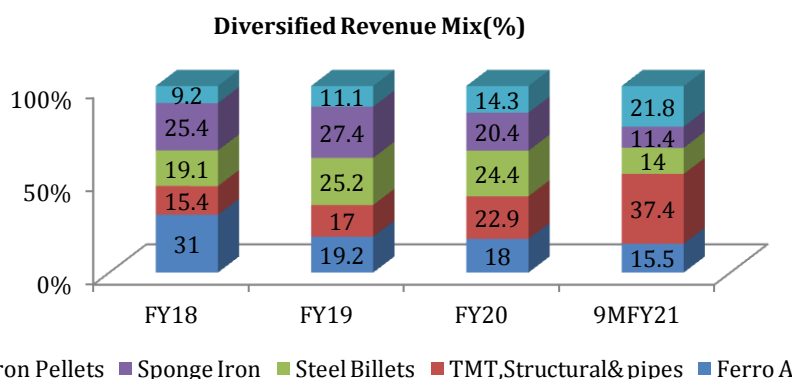
- Having a tough outer core and a soft inner core.
- TMT, structural products (angles, channels and beams), wire rods are used for the construction of buildings, transmission towers, industrial sheds, structures, road, dam and in other various infrastructures.
- Sells TMT, structural products angles, channels and beams), wire rods and pipes, a finished product, primarily in the states of West Bengal, Odisha, Bihar, Jharkhand, Tripura, Sikkim, Assam, Arunachal Pradesh, Manipur, Meghalaya, Uttarakhand, Uttar Pradesh, Punjab and Haryana.
- They also undertake conversion of hot rolled coils to pipes exclusively for an Indian steel conglomerate

Ferro Alloy Products

- Various alloys of iron with a high proportion of one or more other elements such as manganese, aluminium, or silicon.
- They are used in the production of steels and alloys
- Ferro alloys produced are used as raw materials for the manufacture of stainless steel products.
- Also sells specialised ferro alloys - low and medium carbon - for special steel applications.
- They sell ferro alloys of various grades, a finished product, to steel companies primarily in the states of Odisha, Jharkhand, Karnataka, Uttar Pradesh, Haryana and Rajasthan.
- They also export ferro alloys to South Korea, Indonesia, Thailand, Taiwan, Japan, New Zealand, United Kingdom.

❖ Manufacturing Plants

SMEL currently operates three manufacturing plants that are located at Sambalpur in Odisha, and Jamuria and Mangalpur in West Bengal. As of December 31, 2020, the aggregate installed metal capacity of the manufacturing plants was 5.71 million tonne per annum ("MTPA") (comprising of intermediate and final products). The manufacturing plants also include captive power plants with an aggregate installed capacity of 227 MW, as of December 31, 2020. They are also in the process of increasing the capacities of the existing manufacturing plants and captive power plants, which is expected to increase the aggregate installed metal capacity (comprising of intermediate and final products) from 5.71 MTPA, as of December 31, 2020, to 11.60 MTPA and captive power plants aggregate installed capacity from 227 MW, as of December 31, 2020, to 357 MW. These proposed expansions are expected to become operational between Fiscal 2022 and Fiscal 2025. In addition, they are in the process of commissioning an aluminium foil rolling mill at Pakuria in West Bengal with a proposed installed capacity of 0.04 MTPA, which is expected to become operational in Fiscal 2022.



Source: RHP, Geojit Research

The Sambalpur and Jamuria plants operate as 'ore to metal' integrated steel manufacturing plants and comprise captive railway sidings, captive power plants, iron pellet, sponge iron, billet, thermo mechanically treated ("TMT"), wire rod and structural mills, and ferro alloy plants.

Further, the Mangalpur plant comprises sponge iron and ferro alloy plants, and a captive power plant. They have eight captive power plants that utilise non-fossil fuels, such as, waste, rejects, heat and gas, generated from the operations to produce electricity, and thereby enable them to operate at lower power costs. In Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2020, power units produced from the captive power plants accounted for 90.06%, 87.32%, 85.19% and 79.58%, respectively, of the total power units consumed.

The Sambalpur manufacturing plant caters to customers in the southern and western regions of India whereas the Jamuria and Mangalpur manufacturing plants caters to customers in northern and eastern regions of India.

❖ Customers

The product offerings cater to a mix of customers that consist of institutional customers and end-use consumers through the distribution network. The domestic customers include Jindal Stainless Limited, Jindal Stainless (Hisar) Limited, and Rimjhim Ispat Limited. The international customers include Norecom DMCC, Norecom Limited, POSCO International Corporation, World Metals & Alloys (FZC), Traxys North America LLC, JM Global Resources Limited, Goenka Steels Private Limited and Vijayshri Steel Private Limited. As of December 31, 2020, SMEL had partnerships with 42 distributors, who stock and sell the finished products across 13 states and one union territory. They also sell the intermediate products through brokers.

❖ Competitors

The Indian steel industry is highly competitive. The primary competitors include Jindal Steel and Power Limited, Tata Steel Limited, Steel Authority of India Limited, JSW Steel Limited, Kalyani Steel Limited and Prakash Industries (Source: CRISIL Report). As a manufacturer of long steel products and ferro alloy products, they compete to varying degrees with other Indian steel and ferro alloy manufacturers.

❖ Exports

In Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2019 and December 31, 2020, revenue generated from exports accounted for 18.19%, 17.34%, 9.65%, 9.69% and 11.19%, respectively, of the revenue from operations in such periods. They have derived a portion of such revenues from exports to limited number of markets, amongst others, Nepal, Bhutan, Bangladesh, China, Japan and Dubai.

Integrated operations across the steel value chain...

The integrated nature (backward and forward integration) of SMEL's manufacturing plants has resulted in the control over all aspects of operations (with the exception of sourcing of primary raw materials) as well as operating margins, thereby enabling them to focus more on quality and create multiple points of sale across the steel value chain. The backward integration activities, include, setting up of iron pellet plants and installation of rotary kilns to produce sponge iron. Whereas, the forward integration activities, include, diversification of product mix by utilising the billets to produce value added products, such as, TMT bars, structural products and wire rods, which enable them to de-risk revenue streams and expand product offerings. SMEL believe that the forward and backward integration has created cost synergies resulting in cost efficiencies and increase in profitability of the company. SMEL intend to further integrate operations by using the existing waste and by-products from operations to introduce new and high margin products.

❖ Strategies

Introduce new products by leveraging the forward integration capabilities

They are currently in the process of further diversifying the product portfolio by entering into the segments, such as, pig iron, ductile iron pipes and aluminium foil. In particular, they intend to use the pig iron from the operations to produce ductile iron pipes. Introduction of new products will result in further diversification of products lines, augmentation of profits and further de-risking of the revenue streams.

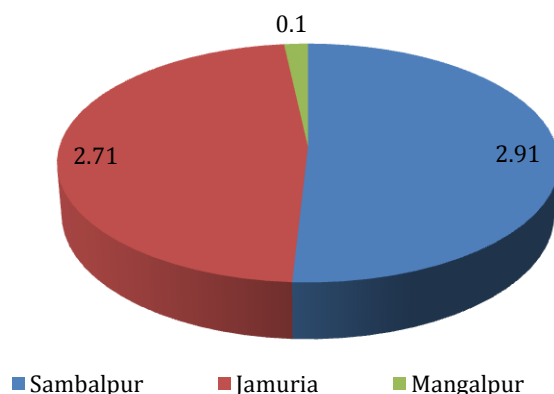
They are also in the process of (i) setting up a new 200,000 TPA ductile iron pipe plant at the Jamuria manufacturing plant; and (ii) commissioning an aluminium foil rolling mill at Pakuria in West Bengal by installing two mills with an installed capacity of 20,000 TPA each. They expect this aluminium foil rolling mill to become operational in Fiscal 2022.

Continue to increase the manufacturing capacities

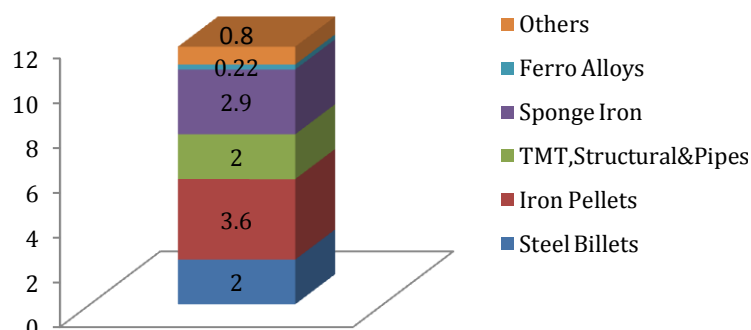
These proposed expansion plans are expected to be undertaken on the existing land on which the Sambalpur and Jamuria manufacturing plants are located and will help them in lowering the overall cost of the proposed expansions. The expansion of the capacities will result

in further integration of the Sambalpur and Jamuria manufacturing plants, augmentation of the revenues, better cost controls and consequent increase in profitability and presence across the steel value chain. In addition, the expansion plans and strategy will allow them to meet the anticipated increase in steel demand in the future, enable them to supply growing markets more efficiently and drive profitability.

Installed Metal Capacity-Plantwise(MTPA) in December 2020



Targeted plant capacity after expansion 11.6 MTPA(Million Tonnes per Annum)



Source: RHP, Company website

Continue to maintain low leverage with healthy capitalisation metrics

According to the CRISIL Report, SMEL is the least leveraged group among its peers. As of March 31, 2020, the gearing ratio was one of the lowest amongst the competitors (Source: CRISIL Report). As of March 31, 2018, 2019 and 2020 and as of December 31, 2020, the Gross Debt to Equity ratio was 0.30, 0.29, 0.47 and 0.27, respectively. The Gross Debt to EBITDA ratio for Fiscals 2018, 2019 and 2020, and for the nine months ended December 31, 2020, was 0.79, 0.75, 2.10 and 1.24, respectively. They intend to use the Net Proceeds from the Offer to prepay SMEL's and the Subsidiary, Shyam SEL and Power Limited's debt. Prepayment of the debt will result in savings on finance cost, freeing up of working capital, reduce the debt to equity ratio for future leverage as well as increase the profits.

Continue to focus on cost efficiency and increase profitability and market share

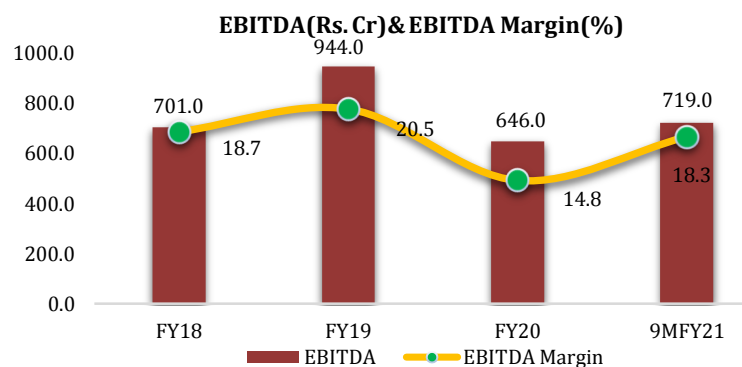
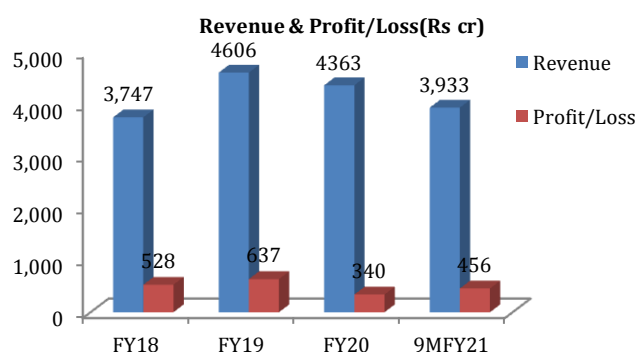
In order to increase the market share, SMEL also aims to selectively acquire established businesses whose operations, resources and capabilities are complementary and/or supplementary to theirs. In particular, with the introduction of the Insolvency and Bankruptcy Code, 2016, they intend to explore the possibility of growing inorganically by acquiring stressed steel and ferro alloys plants in order to increase the revenues and profitability. The proposed acquisitions will revolve around increasing the market share, achieving operating leverage in key markets, increasing sales and distribution network and strengthen cost competitiveness in the market.

Focus on exports

Exports typically result in higher margins and timely realisation of the revenue streams. The revenue from exports amounted to Rs 421.1cr and Rs 440.3cr in FY20 and the nine months ended December 31, 2020, respectively. They intend to capitalize on such industry opportunities and increase the exports by leveraging the close proximity of the manufacturing plants to various ports and export products, such as, ferro alloys and specialised billets to international markets. They currently export the products to Nepal, China, Bangladesh, Bhutan, United Kingdom, South Korea, Thailand, Indonesia, Taiwan and Japan, and are currently exploring newer geographies in North America, South America, Europe and Africa in order to increase the exports.

Financial Performance...

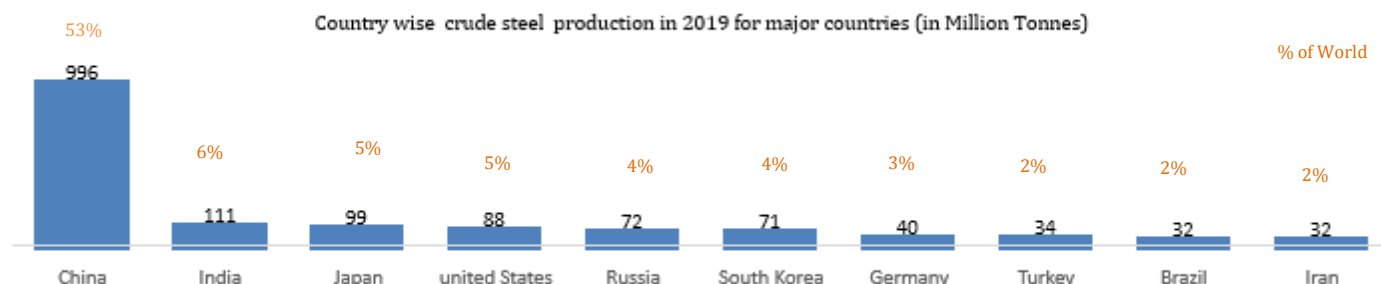
SMEL's revenue from operations increased at a CAGR of 6.56% from Rs.3,842.56cr in FY18 to Rs4,362.88cr in FY20 and was Rs3,933.08cr in the nine months ended December 31, 2020. The EBITDA amounted to Rs 645.6cr and Rs719.4cr in FY20 and the nine months ended December 31, 2020, respectively. Further, since the commencement of the operations in Fiscal 2005, they have delivered a positive EBITDA in each of the Fiscals. As of March 31, 2020, the gearing ratio was one of the lowest amongst the competitors (Source: CRISIL Report). In Fiscal 2020, the interest coverage ratio was one of the highest amongst the competitors (Source: CRISIL Report). As of March 31, 2018, 2019 and 2020 and as of December 31, 2020, the Gross Debt to Equity ratio was 0.30, 0.29, 0.47 and 0.27, respectively.



Source: RHP, Geojit Research

Industry Outlook

As per World Steel Association, global steel demand is expected to contract by 2.4% in 2020 and drop to global steel 1.725 billion tonnes due to the Covid-19 crisis. However, demand is expected to recover to 1.795 billion tonnes and grow 4.1% in 2021. As per CRISIL Research, post 2019, global steel demand is expected to grow approximately 0.2% CAGR through 2024. India is the second largest producer of steel in the world with nearly 6% share of global steel production.

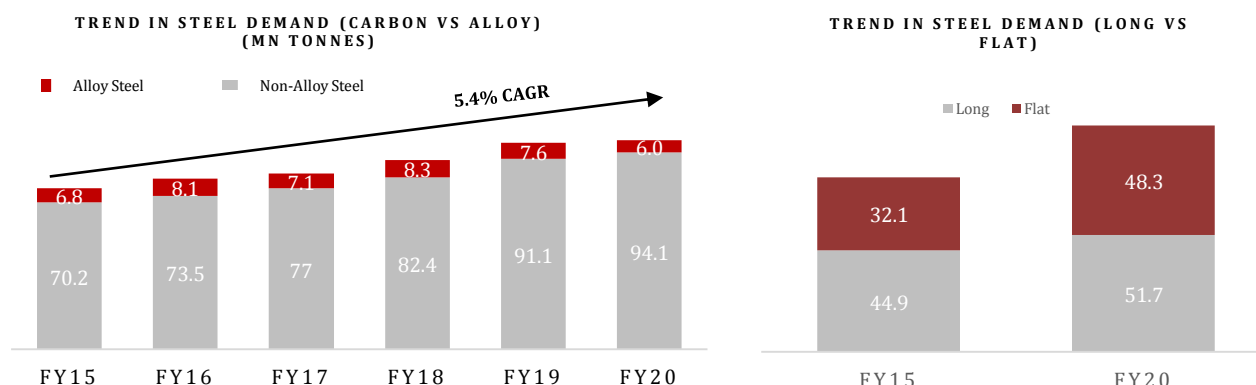


Source: RHP, Geojit Research

STEEL MARKET VALUE CHAIN ASSESSMENT

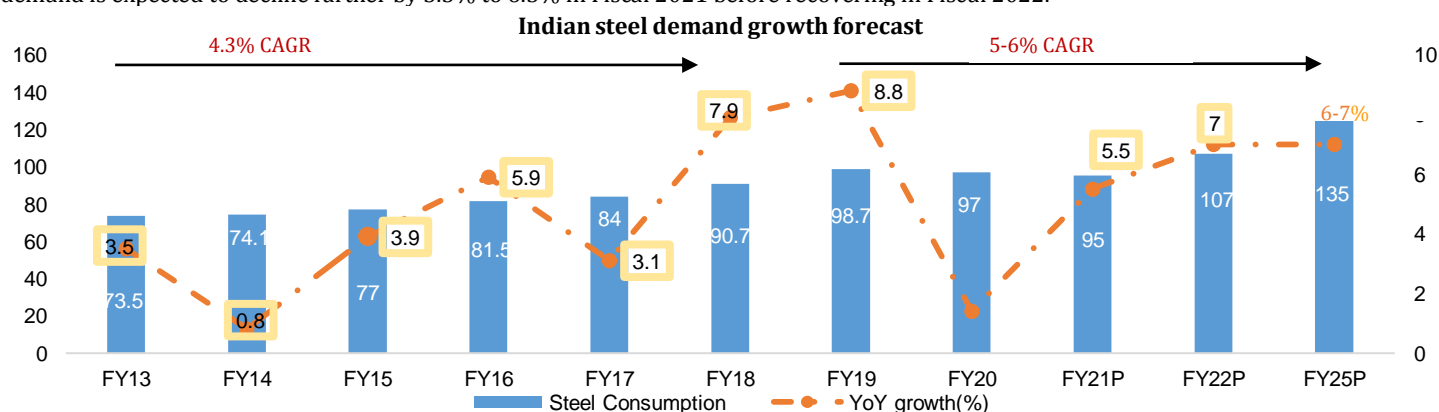
Demand review and outlook: Steel products

India steel demand has risen at a modest 5.4% CAGR during past five years (Fiscal 2015 to Fiscal 2020). Alloy steel has witnessed a decline in demand on account of automobile production Fiscal 2019 onwards. As a result, the share of alloy in overall steel demand has fallen from 8.8% in 2014 to 6.0% in 2019 to 2020. On the other hand, non-alloy steel has been growing at a CAGR of 6.0%. Further, long steel demand has grown at 3% CAGR over past five years (Fiscal 2015 to Fiscal 2020) period primarily led by healthy growth in infra and modest growth in housing segment. Flat steel on the other hand rose at around 8.6% CAGR during the same period. This has led to share of long steel in overall finished steel demand to fall from 58% in Fiscal 2015 to 52% in Fiscal 2020. Post moderate growth cycles since 2012, India's steel demand exhibited swift comeback with vigorous growth of 8% to 9% in Fiscals 2018 and 2019. Pent-up demand from low base of last year (demonetization), pick up in infra projects, robust growth in Auto (14% increase in automobile production) provided thrust to the sector's growth.



Source: RHP, Geojit Research

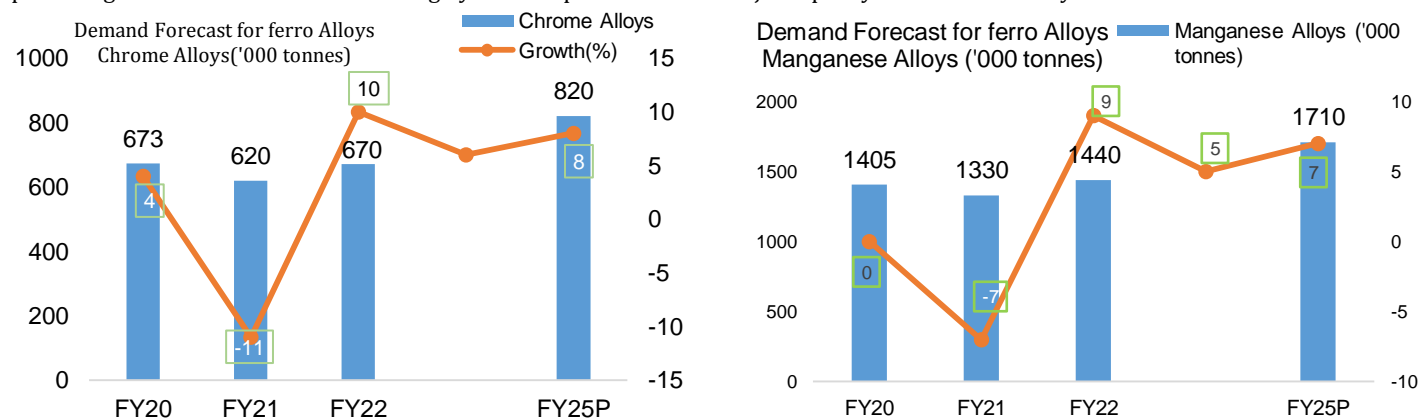
However, steel sector witnessed a slump in demand to 1.4% in 2020 due to COVID-19 outbreak. Going ahead, steel demand is expected to recover and continue its strong growth at 5.0% to 6.0% through Fiscal 2025 supported by the government led initiatives especially affordable housing and infrastructure projects in metro, road, and urban infra space (which are more steel intensive). However, steel demand is expected to decline further by 5.5% to 6.5% in Fiscal 2021 before recovering in Fiscal 2022.



Source: RHP, Geojit Research

FERRO ALLOYS MARKET ASSESSMENT

The Indian ferro alloy industry is highly fragmented. Within the chrome alloy segment, the top two players together comprise a market share of 35%, whereas in the manganese alloy segment it is a mere 5% to 6%. The demand for ferro alloys is driven by the steel and stainless-steel industries, which is a relatively consolidated industry and hence has high bargaining power. A typical feature of the industry is the interchangeability of production between ferro-chrome and ferro-manganese by smaller players on the basis of the prevailing market scenario which has largely been responsible for no major capacity addition over the years.



Source: RHP, Geojit Research

Majority of the ferro-alloys capacities (almost two-third) are located in Eastern belt especially in the states of West Bengal and Chhattisgarh. Leading players in the ferro-alloys industry include:

Player	Ferro Alloys Capacity
Shyam Metalics	0.21MT
MFA	0.275MT
Balasore Alloys	0.16MT
Abhijeet Alloys	0.2MT
Modern India Concast Ltd	0.2MT
Shri Girija Alloys and Power	0.15MT
Tata Steel	0.11MT

Source: RHP, Geojit Research

SMEL is amongst the largest producer of ferro-alloys domestically with an annual installed capacity of 0.21 million tonne as of February 2021, with 6.6% share in the capacity.

Promoter and promoter group

Mr. Mahabir Prasad Agarwal, Mr. Brij Bhushan Agarwal, Mr. Sanjay Kumar Agarwal, Subham Capital, Subham Buildwell, Narantak Dealcomm, Kalpataru Housefin, Dorite Tracon and Toplight Mercantiles are the Promoters of the company.

Brief Biographies of Directors

The Board consists of 12 Directors on board.

- **Mahabir Prasad Agarwal**, is the Non-Executive Chairman of the company. He has been a Director of the company since April 6, 2018. He is the founder of, and has been a director of, Subsidiary, SSPL, since its inception and is one of the initial shareholders of company. He has over three decades of experience in the steel and ferro alloys industry.
- **Brij Bhushan Agarwal**, is the Vice Chairman and Managing Director of the company. He has been a Director of the company since its inception in December, 2002. He is also the Vice Chairman and Managing Director of Subsidiary, SSPL, and has been a director of SSPL since its inception. He has over three decades of experience in the steel and ferro alloys industry.
- **Sanjay Kumar Agarwal**, is the Joint Managing Director of the company. He has been a Director of the company since its inception in December, 2002. He has over 17 years of experience in the steel and ferro alloys industry. He is primarily responsible for the operations of the manufacturing plants at Sambalpur, Jamuria and Mangalpur, with focus on cost control, production efficiency and competitive procurement of raw material.
- **Deepak Kumar Agarwal**, is a Whole-Time Director of the company. He has been a Director of the company since July 14, 2014. He is responsible for handling the finance, risk management and corporate affairs of the company and its Subsidiaries.
- **Bhagwan Shaw**, is a Whole-Time Director of the company. He has been a Director of the Company since March 7, 2013. He has 12 years of experience in the steel and ferro alloys industry. He is responsible for management and inventory control of stores and spares at Sambalpur manufacturing plant.
- **Dev Kumar Tiwari**, is a Whole-Time Director of the company. He has been a Director of the company since April 10, 2009. He has over 23 years of experience in the steel and ferro alloys industry. He is responsible for project implementation and operations of Sambalpur manufacturing plant.

Financials

Profit & Loss Account

Y.E March (Rscr)	FY19	FY20	9MFY21
Sales	4,606	4,363	3,933
% change	22.9	-5.3	-
EBITDA	944.5	645.6	719.4
% change	35	-32	-
Depreciation	195	297	220
EBIT	750	349	499
Interest	64.4	85.9	55.8
Other Income	78.2	32.4	62.5
Exceptional Items	0	0	0
PBT	764	296	506
% change	48	-61.3	-
Tax	127	-44.9	49.9
Tax Rate (%)	17	-15	10
Reported PAT	636.6	340.3	456.3
Adj	-	-	-
Adj PAT	636.3	340.3	456.3
% change	20.6	-46.5	-
No. of shares (cr)	23.3	23.36	23.6
Adj EPS (Rs)	27	15	24*

Cash Flow

Y.E March (Rscr)	FY19	FY20	9MFY21
PBT	764	295.5	506.3
Non-cash adj.	224.5	379.0	236.1
Changes in W.C	-532	-589	-86
C.F.O	456.3	85.2	657
Capital exp.	-488	-308	-204
Change in inv.	-69	4	-17
Sale of investment	-	-	-
Other invest.CF	-10	27	-10
C.F - investing	-567	-277	-231
Issue of equity	-	-	-
Issue/repay debt	176	300	-402
Dividends paid	-	-	-
Other finance.CF	-64	-88	-54
C.F - Financing	112	212	-456
Chg. in cash	1.5	19.8	-14.3
Closing cash	9.7	29.7	15.4

Balance Sheet

Y.E March (Rscr)	FY19	FY20	9MFY21
Cash	97.8	121.2	178.2
Accounts Receivable	212.9	259.0	243.7
Inventories	732	1,486.7	1,150
Other Cur. Assets	469.8	580.2	569.3
Investments	350	250.9	287.0
Deff. Tax Assets	-	29.0	67.9
Net Fixed Assets	1,773	2,011	1,880
CWIP	358	235	351
Intangible Assets	0.8	0.8	0.6
Other Assets	58.0	229.2	377.8
Total Assets	4,052	5,204	5,105
Current Liabilities	487.5	630.4	576.3
Provisions	241	316	273
Debt Funds	757	1,427	942
Minority Interests	-	-	-
Def. Tax Liabilities	72.7	-	24.5
Equity Capital	233.6	233.6	233.6
Reserves & Surplus	2,256	2,592	3052
Shareholder's Fund	2,494	2,830	3,289
Total Liabilities	4,052	5,204	5,105
BVPS (Rs)	107	121	141

Ratios

Y.E March	FY19	FY20	9MFY21
Profitab. & Return			
EBITDA margin (%)	20.5	14.8	18.3
EBIT margin (%)	16.3	8.0	12.7
Net profit mgn. (%)	13.8	7.8	11.6
ROE (%)	25.6	12.0	13.9
ROCE (%)	12.1	5.9	6.3
W.C & Liquidity			
Receivables (days)	23	23	25
Inventory (days)	84	126	187
Payables (days)	25	42	33
Current ratio (x)	2.6	2.9	2.9
Quick ratio (x)	0.6	0.6	0.7
Turnover & Lev.			
Net asset T.O (x)	2.6	2.4	2.0
Total asset T.O (x)	1.2	1.0	0.8
Int. covge. ratio (x)	11.6	4.1	8.9
Adj. debt/equity (x)	0.3	0.5	0.3
Valuation ratios			
EV/Sales (x)	1.7	2.0	2.1
EV/EBITDA (x)	8.4	13.3	9.1*
P/E (x)	11.2	21.0	12.8*
P/BV (x)	2.9	2.5	2.2

*Annualized



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