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IRM Energy LTD

17th October, 2023

IPO NOTE

Recommendation	SUBSCRIBE
Price Band	Rs 480-505
Bidding Date	18th Oct – 20th Oct
Book Running Lead Manager	HDFC Bank Limited, BOB Capital Markets Limited,
Registrar	Link Intime India Private Limited
Sector	CNG/PNG Supplier
Minimum Retail Application- Detail At Cut off Price	
Number of Shares	29
Minimum Application Money	Rs. 14,645
Discount to retail	0
Payment Mode	ASBA

Consolidated Financials (Rs Cr)	FY22	FY23
Total Income	507	980
EBITDA	186	112
Adj PAT	128	63

Valuations (FY23)	Lower Band	Upper Band
Market Cap (Rs Cr)	1,971	2,074
Adj EPS	15.4	15.4
PE	31	33
EV/ EBITDA	18	19
Enterprise Value (Rs Cr)	2,053	2156

Post Issue Shareholding Pattern	
Promoters	50.1%
Public/Other	49.9%

Offer structure for different categories	
QIB (Including Mutual Fund)	50%
Non-Institutional	15%
Retail	35%
Post Issue Equity (Rs. in cr)	41.1
Issue Size (Rs in cr)	545
Face Value (Rs)	10

Priyanka Baliga
Research Analyst
(+91 22 6273 8177)
priyanka.baliga@nirmalbang.com

BACKGROUND

Incorporated in 2015, IRM Energy Ltd is committed towards contributing to the energy need of its consumers. The company has experience of more than 6 years in developing robust city gas distribution networks and connecting different customer segments in its existing Geographical Areas. It has a strong parentage of Cadila Healthcare Ltd which holds 49.5% stake in the company

Objects and Details of the Issue:

- Total issue of ~Rs. 545 Cr (at upper price band) consists of fresh issue only
- To utilise ~Rs. 307 Cr from the net proceeds to fund CAPEX requirements for development of the City Gas Distribution network and ~Rs. 135 Cr for the Prepayment or repayment of all or a portion of certain outstanding borrowings

Investment Rationale:

- Expanding presence in existing and newer GAs through an improved distribution channel
- Successful development and operation of CGD business
- Technology adoption to increase operational efficiency and enhance customer value
- Continue to focus on sourcing reliable and cost-effective gas from leading Gas Suppliers
- Business integration for transition into a complete energy solution provider
- Strong parentage, experienced board and management team and strong execution team

Valuation and Recommendation:-

IRM Energy Ltd has commenced its operations in 2015 and has delivered a strong performance throughout its journey. Company has delivered revenue growth at 88% CAGR between FY20-23 with 63% volume growth and other listed industry players have delivered volume growth of an average rate of ~3-4% in FY20-23. We are positive on company's multifold growth compared to other players, as it is aiming to grow its volume by 3x over the next four years such as from 0.54 MMSCMD in FY23 to 1.51 MMSCMD in FY27E, on account of various opportunities available to drive the demand at its existing GAs. The issue is valued at 19.3x PE based on its annualized Q1FY24 EPS which is at a reasonable valuation compared to average PE Valuation of 18.6x for listed peers. Thus, we recommend **SUBSCRIBE** to the issue considering its robust future growth.

Financials	FY21	FY22	FY23	Q1FY23	Q1FY24
Net Revenues	190	507	980	215	230
Growth (%)	28.5%	167.5%	93.3%	0.0%	7.2%
EBITDA	73	186	112	32	42
EBITDA Margin (%)	34.6%	34.1%	10.8%	13.9%	17.2%
PBT	46	152	74	23	34
Adjusted PAT	35	128	63	21	27
EPS	8.50	31.18	15.38	5.00	6.56
ROCE	22.0%	39.1%	15.0%	24.8%	22.9%
EV/Sales	10.2	3.9	2.1	2.3	2.2
EV/EBITDA	29.5	11.6	19.2	16.8	12.8
P/E*	59.4	16.2	32.8	25.2	19.3

Source: RHP, NBRR
Quarterly ratios are on annualized basis

Company Background

IRM Energy is a city gas distribution company engaged in the business of supplying, laying, building, operating and expanding the city lying or local natural gas distribution network. They develop natural gas distribution projects in the geographical areas allotted to them for industrial, commercial, domestic and automobile customers.

In Jul'16, the company received authorization to lay, build, operate, and expand the city or local natural gas network in Banaskantha and Fatehgarh Sahib, followed by Diu and Gir Somnath in Sept'18 and Namakkal and Tiruchirappalli in Jan'22.

Geographical Areas	Date of Authorization	Exclusivity period for laying, building and expansion of the CGD network*	Exclusivity period for exemption from the purview of common carrier or contract carrier for the CGD network
Banaskantha	01-Jul-16	25 years	Expired in June 2023**
Fatehgarh Sahib	05-Jul-16	25 years	Expired in September 2023**
Diu & Gir Somnath	25-Sep-18	25 years	Until September 2028**
Namakkal &Tiruchirappalli	15-Mar-22	25 years	Until March 14, 2030

Source: RHP, Company data

Market exclusivity date has been revised for all the GAs due to COVID-19 related restrictions.

The table below sets out the breakdown of net revenues generated from CNG and PNG distribution and NG trading:

Particular (Rs. Cr)	Banaskantha		Fatehgarh Sahib		Diu & Gir Somnath		NG Trading	Total			
	CNG	PNG	CNG	PNG	CNG	PNG	PNG	CNG	%	PNG	%
Fiscal 2020	113.9	8.6	15.1	8.4	0.3	0.0	0.0	129.3	88.3%	17.1	11.7%
Fiscal 2021	121.3	13.7	11.7	31.3	8.3	0.0	1.0	141.4	75.4%	46.1	24.6%
Fiscal 2022	212.6	19.7	23.7	175.8	21.4	0.0	51.0	257.7	51.1%	246.5	48.9%
Fiscal 2023	326.9	39.3	49.4	519.9	36.9	0.5	3.2	413.2	42.3%	563.0	57.7%

Source: RHP, Company data

IRM Energy shareholding in Certain Complementary Businesses

Farm Gas Pvt Ltd (50% stake)
A biomass and waste to energy solution company with a vision to convert biomass as well as municipal solid waste to compressed biogas (CBG) and bio-fertilizer, which aims to provide cost-effective and economically viable renewable energy through waste and biomass management.

Venuka Polymers Pvt Ltd (50% Stake)
A company engaged in the production of polyethylene (PE) pipelines, on December 19, 2019 with a vision to provide cost-effective and economically viable products for creating the infrastructure of gas and waterpipelines

Ni Hon Cylinders Pvt Ltd (50% Stake)
A company engaged in the supply of imported type one cylinders for retro fitment of CNG cylinders on March 30, 2022, with an intention of manufacturing cylinder cascades for sale to other CGD companies.

SKI-Clean Energy Pvt Ltd (70% Stake)
A company engaged in selling renewable power to reputed industrial, commercial customers and green hydrogen generating /producing companies through long term power purchase agreements

Source: RHP, Company data

Government Policy

The Indian government has been consistently taking steps to develop natural gas infrastructure across the country. As on Jun'23, the country had 23,478 km of natural gas pipelines in operation. It also plans to develop a vibrant gas market across the country through 12,037 km of additional pipelines, to complete the National Gas Grid (NGG). Development of the NGG would connect all the major demand and supply centres in India. In addition, the government is taking various measures to promote use and distributorship of Liquified Natural Gas (LNG) through establishment/capacity enhancements of LNG terminals and regasification. It aims to create regasification capacity of 70 mmtpa (million metric ton per annum) by 2030 and 100 mmtpa by 2040.

Industry Overview

Natural gas consumption in India clocked a (CAGR) of 3.8% between FY16 and FY20. However, it dipped 5% in fiscal 2021 due to Covid-19 related challenges such as constrained transportation and industrial activities. Demand rose again ~4.8% in fiscal 2022. Growth was driven by higher off take from end-use industries as economic and industrial activity and personal mobility gained traction. Segments such as CGD saw healthy growth. However, demand from the power segment declined as higher LNG prices affected the load factor of gas-based power plants. In FY23, demand from natural gas declined by ~6%. The decline in demand was led by steep rise in prices and constrained supplies under long term LNG contracts. The demand remained subdued from power, refinery and petrochemicals sector as these sectors are dependent on imported gas that pushed the demand downwards. The gas demand in FY24 is expected to rebound by 12-13% on account of a mix of factors such as a favourable government policy for the CGD sector, a moderation in the natural gas price, and an expected increase in the production of domestic natural gas.

The number of entities participating in the CGD sector has increased over the past decade. CGD infrastructure is attracting not only domestic but also foreign investors. Singapore-headquartered companies such as Atlantic Gulf & Pacific Company and Think Gas have established CGD companies in India, while France-based Total Energies has partnered with Adani Gas to form Adani Total Gas Limited. US-based Squared Capital and Japanese Osaka Gas forayed into the CGD sector by investing in AG&P in 2021. ATGL is the largest CGD player on a standalone basis (33 GAs), followed by IOCL with 28 GAs. Also, ATGL is the largest entity in terms of a combined GA count, at 52, including the GAs held through a JV with IOCL. The CGD market primarily comprises 10-15 players. Of these, the top five players hold 136 GAs (i.e., 46%) of the total 295 GAs allotted in all CGD bidding rounds until 11A.

Investment Rationale

Expanding presence in existing and newer GAs through an improved distribution channel

Company's strategy includes **distribution and sale of CNG** through its DODO Stations and COCO Stations as a cost saving approach compared to OMC stations. These stations emphasizes on 'IRM Energy' branding to strengthen its brand positioning in the market. Going forward, these same stations may also be used for other new generation fuels like CNG, biofuel, LNG, EV charging and battery swap.

BanasKantha GA: It is mainly benefitted with a highly developed CNG ecosystem in Gujarat where 90% of its total volume demand generated through CNG. So far, IRM has successfully grown its PNG domestic connections from 2,500 as on Jun'18 to 44,041 as on Jun'23 which is well above set Minimum Work Permit (MWP) of 28,021 which has built 2,262 inch-kms of pipeline (588 inch-kms as on Jun'18). It expects overall ~2x volume growth in Banaskantha GA over the next four years.

Fatehgarh Sahib: It has observed 90% industrial demand in its overall business in FY23. While exceptional road network in the GA to support growth of CNG, it has an upcoming pharma and textiles park which will drive PNG volume. It expects ~2x volume growth in Fatehgarh Sahib GA by FY27E.

Diu and Gir Somnath GA: Gir is located near the port of Veraval. Junagadh and Amreli districts are the two major neighbouring GAs that have many tourist places. It has observed ~98.5% of CNG demand backed by healthy preference for CNG among cars, auto owners, heavy commercial vehicles. While Gir Somnath is linked to rest of the country through a good road network, the demand for CNG segment is expected to be robust on account of high movement of floating vehicles, as major highways such NH51 and NH 8E pass through the GA. In case of CNG stations and inch km of steel pipeline, it has surpassed its MWP target.

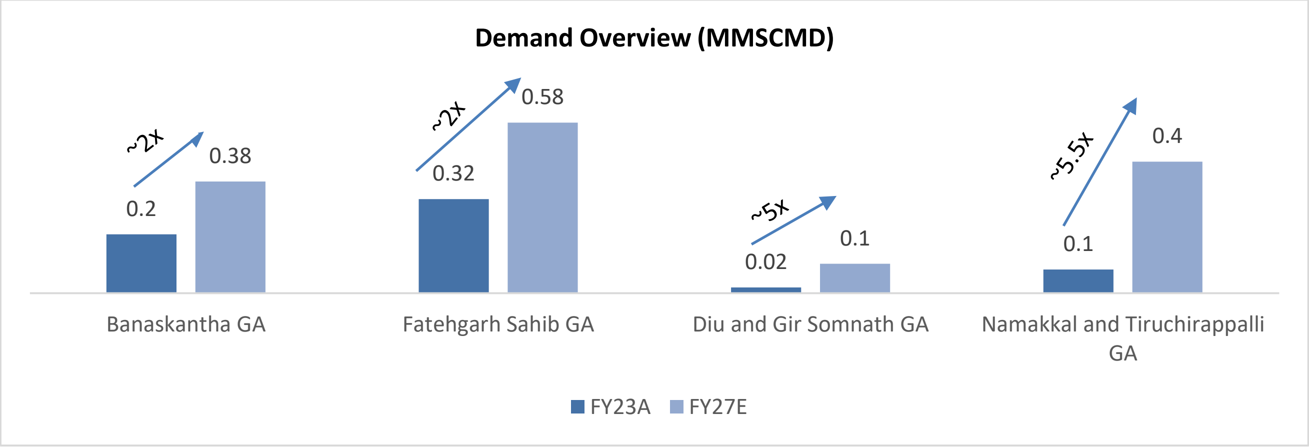
Additionally, PNG is also expected to grow from its current level of 2,468 domestic connections which is well below its set MWP target of 18,200. IRM expects reduction in transportation cost of LNG backed by upcoming Chhara LNG terminal. Further, the region has an opportunity from a tourist attraction centre (Somnath temple, Gir Forest and Nagao Beach) which will drive further demand. IRM Energy has received authorization for the GA for creating 91,000 PNG domestic connections and 35 CNG stations by Sep'28. It expects ~5x volume growth in Diu and Gir Somnath GA.

Namakkal & Tiruchirappalli GA: Namakkal is well connected with major cities such as Bangalore, Salem and Kanyakumari via NH44 and rail, which connects to various parts of Tamil Nadu. Tiruchirappalli is well connected by five national and seven state highways. Namakkal &Tiruchirappalli GA has a large urban population which provides an excellent opportunity to convert prospective customers from other alternative fuels to natural gas. Tiruchirappalli is an urban market housing significant residential and commercial demand centres which may drive demand growth for commercial and domestic segments. There is a lot of potential for residential customers to switch to PNG by fiscal 2024. Demand for natural gas from the industrial segment can be estimated at 20,000 scmd and from the commercial segment at around 900 scmd by FY24. CNG demand is estimated at ~55,000 scmd by FY24 end, considering the large number of national and state highways connecting the districts of the GA with the major districts of Tamil Nadu and Karnataka. It expects 5.5x volume growth in Namakkal & Tiruchirappalli GA by FY27E.

IRM has set up an LCNG station at Veraval city, in the Diu and Gir Somnath GA while it also aims to set up LCNG station in the new GA of Namakkal & Tiruchirappalli District. Also, it is looking to acquire licensed GAs from peer CGD entities. The same will optimize company's operations with faster penetration of CNG.

Further, it has a plan to add 24,000 PNG domestic connections, 62 PNG commercial connections, 10 PNG industrial connections and 63 CNG retail outlets. On a consolidated level, IRM Energy aims to grow its volume ~3x to ~1.51 MMSCMD by FY27E from the current level of 0.54 MMSCMD in FY23.

Demand Overview for the respective GA:



Source: RHP, Company data

Successful development and operation of CGD business

It has successfully built and operated CNG and PNG distribution system in the GAs awarded to them, and also set up supplementary network of pipelines and CNG stations. It has fulfilled MWP commitments as on Jun'23 as mentioned in the below graphs. The status based on latest available data is shown below for the respective GAs.

Particulars	GA at Banaskantha	GA at Fatehgarh Sahib	GA at Diu & Gir Somnath
	As of Jun'23	As of Sept'23	As of Jun'23
Infrastructure for PNG domestic connections			
Target	28021	5905	18,200
Achieved	44041	5945	2,468
Total inch-kms of pipeline to be laid@			
Target	1800	650	
Achieved	2262	1202	

GA at Diu & Gir Somnath	As of Sept'22
CNG Stations (cumulative)	
Target	11
Achieved	15
Inch-km of steel pipeline (cumulative)	
Target	75
Achieved	95

Technology adoption to increase operational efficiency and enhance customer value

The Company is the pioneer in implementing technology (SCADA) for the unmanned operation of the CNG compressors and dispensers. It has implemented methodologies such as SCADA, GIS and AMR System, etc., which help in improvement of efficiency and accuracy of the systems, thereby leading to savings in operational costs. It aims to continue to reinforce its innovation capabilities by focusing on technology adoption. With its association with ShizGas, both entities will nominate their employees to participate in a 'joint technical committee' in order to evaluate methodologies and good practices that can be implemented to further improve business efficiency.

Continue to focus on sourcing reliable and cost-effective gas from leading Gas Suppliers

It has a strategic gas sourcing policy, which encompasses index linkages, gas procurement from high pressure, high temperature fields, reliance on diversified portfolio of gas contracts, and enables it to manage the costs efficiently. It has entered into mid to long-term gas souring agreements with GAIL and RIL. Further, it intends to explore gas sourcing opportunities from ShizGas, for sourcing of gas from outside of India. It is evaluating with ShizGas a possible opportunity to import LNG into, and wholesale R-LNG, within India through bilateral contracts and on gas exchange platform. This will help in sourcing R-LNG at competitive price while creating new growth opportunities to tap the natural gas market in India. As a business strategy, it also trades volume of natural gas, either under bilateral contracts or through the gas exchange in case of favorable conditions.

Business integration for transition into a complete energy solution provider

The company has a vertical integration strategy to diversify and achieve higher business growth. It involves investing in complementary businesses to maximize revenue.

- It has invested in Farm Gas Pvt Ltd with 50% equity, focusing on converting biomass and municipal waste into compressed biogas and bio-fertilizer. Farm Gas has set up a compressed biogas retail outlet in Ludhiana. 'Farm Gas' provides alternate gas sources and access to renewable clean energy projects, such as CBG/Bio-CNG and organic fertilizer production.
- It has also invested in Venuka Polymers Pvt Ltd with 50% ownership, which produces polyethylene pipelines for gas and water infrastructure. Venuka Polymers has received orders from leading CGD entities.
- Additionally, it has 50% ownership in Ni Hon Cylinders Pvt Ltd which manufactures cylinder cascades for sale to other CGD companies.
- Furthermore, it has entered into a joint study agreement with ShizGas, a Japan-based company to explore the viability of procuring international LNG for domestic distribution in India.

These investments aim to create business synergies and reduce reliance on third-party vendors by developing in-house allied products. It also plans to transition into an energy company by implementing renewable (solar) energy projects and selling renewable power.

Strong parentage, experienced board and management team and strong execution team

IRM Energy is backed by the strong parentage of Cadila Pharmaceuticals Ltd, an Indian MNC, which has a legacy of over three decades in the domestic pharmaceutical industry. Cadila Pharma holds 49.50% of its Equity Shares. Strategic and financial support provided by Cadila Pharma, with its experience in domestic pharmaceutical industry has significantly helped IRM Energy to overcome certain entry barriers such as requirement of large investments, among others.

Company's board of directors are equipped with varied experience for strategic guidance and insights for growth in operations.

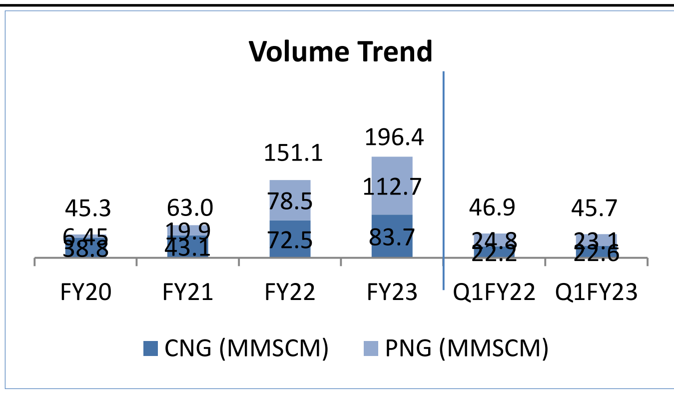
Management Personnel	Designation	Experience
Mr. Karan Kaushal	Chief Executive Officer	15 Years of experience in the field of General Management, Strategy, Business Development and Project Management Work Ex: Kalpataru Power Transmission Ltd., Isolux Corsan India Engineering & Construction Pvt. Ltd., KEC International Ltd. and Scope T&M Pvt. Ltd.
Mr. Harshal Anjaria	Chief Financial Officer	Over 13 years of experience in the field of finance and accounts Work Ex.: Gujarat State Petronet Ltd., ONGC Petro-additions Ltd., Lanco Babandh Power Ltd., Polyplex Resins Sanayi Ve Ticaret and Sumilon Eco Pet.
Mr. Prashant Sagar	Chief Operating Officer, Exe. VP - PNG Projects	Over 13 years in the CGD sector Work Ex.: Unibild Engineering & Construction Company Pvt. Ltd., Sabarmati Gas Ltd. and SKN- Haryana City Gas Distribution Pvt. Ltd.
Mr. Raghuvirsinh Solanki	Exe. VP - Commercial & Marketing	Over 15 years of experience in the oil and gas industry Work Ex.: Sabarmati Gas Ltd. and SKN- Haryana City Gas Distribution Pvt. Ltd.
Mr. Manas Khaire	Exe. VP - CNG Projects and O&M	Over 14 years of experience in the Oil and Gas Industry Work Ex.: Mahanagar Gas Ltd. and Sabarmati Gas Ltd.
Mr. Prakash Sinha	VP – PNG (Technical and HSE)	Over 16 years of experience in the oil and gas industry Work Ex.: Finolex Cables Ltd. and Sabarmati Gas Ltd.

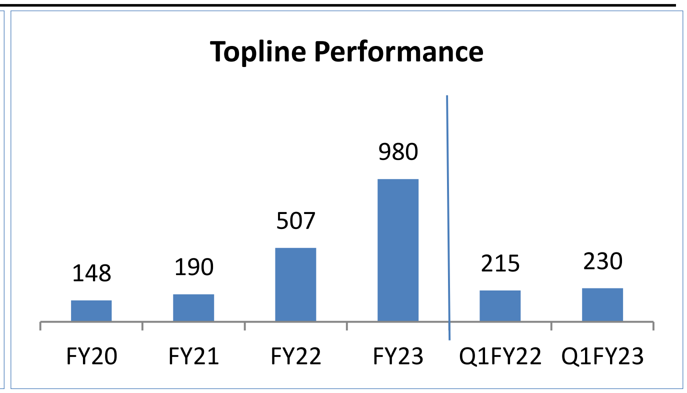
Source: RHP, NBRR

Strong financial performance

IRM Energy Ltd has delivered a strong performance where total volume and revenue grew by 63% / 88% CAGR between FY20-23, respectively.

Financial Performance

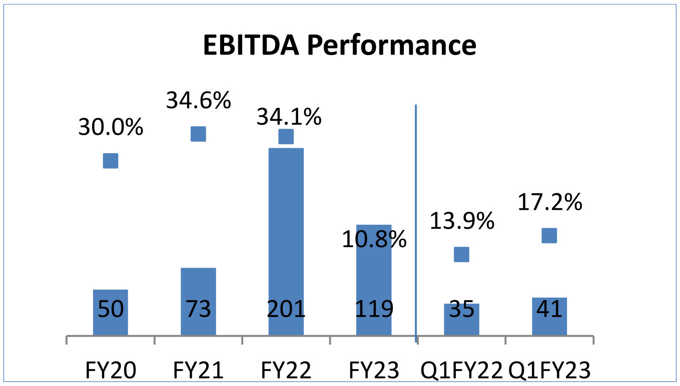


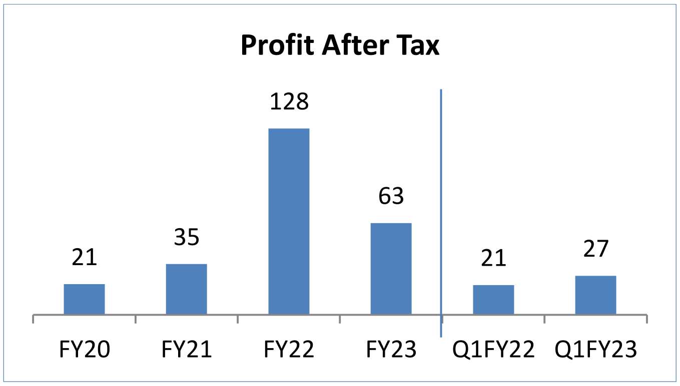


Source: RHP, NBRR

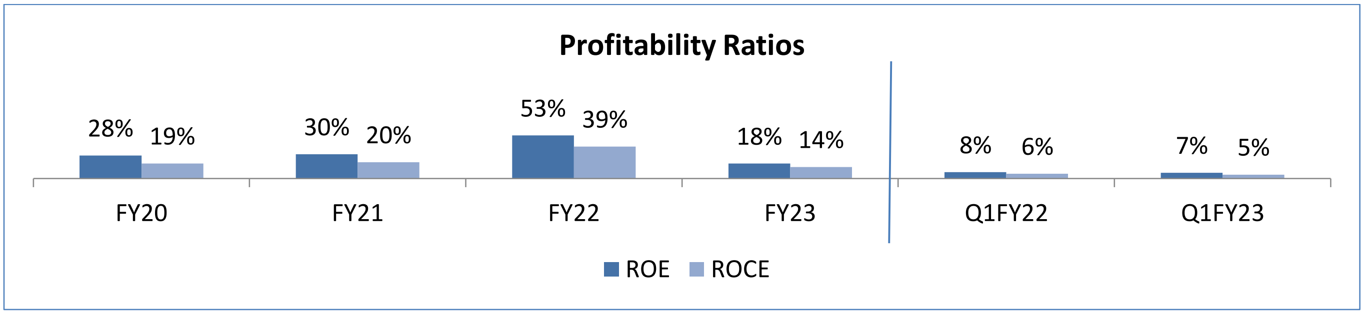
Although it has outperformed industry growth due to its low base and its successful commencement of operations across its operational GAs, the profitability has impacted in FY23 due to volatility in gas price during the period that led to EBITDA margin declined from 34% in FY22 to 11% in FY23. IRM has delivered improved it profitability in Q1FY24 with 17.2% EBITDA margins.

Profitability Metrics





Source: RHP, NBRR



Source: RHP, NBRR, * Quarterly figures are not annualised

High Risks and concerns

Dependent on third parties for sourcing and transportation of natural gas

The Company is dependent on third parties for sourcing and transportation of natural gas. As of June 30, 2023, they procured natural gas from seven suppliers which constituted 100.00% of its total quantity purchased. Any disruption in the receipt of such natural gas from these third parties, or delay or default in timely transportation of the natural gas could lead to a disruption or failure in the supply of natural gas by the company, which could adversely affect its business, reputation, results of operations and cash flows

Government policies & regulations

The Company needs various licenses and approvals for undertaking its businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect its operations. Government approvals and licenses are subject to numerous conditions, some of which are onerous including making an application for amending the existing approval and require company to make substantial expenditure

Company require 15-18 months to generate revenue from new GAs

Typically the Company has observed a gestation period of 15-18 months from the date of receiving authorization to operate in a GA to the time of revenue generation. The Company had received the authorization to operate in Banaskantha GA and Fatehgarh Sahib GA in July 2016 but they were only able to generate revenue from these GAs in July 2017 and January 2018, respectively. Similarly, The Company received the authorization to operate in the Diu & Gir Somnath GA in September 2018, but started to generate revenue in February 2020. In the event they are unable to set up their infrastructure in the same period as they have done in the past, it may lead to a longer gestation period and there will be a delay in realizing revenue.

Valuation and Recommendation

IRM Energy Ltd has commenced its operations in 2015 and has delivered a strong performance throughout its journey. Company has delivered revenue growth at 88% CAGR between FY20-23 with 63% volume growth and other listed players have delivered volume growth of an average rate of ~3-4% in FY20-23. We are positive on company's multifold growth compared to other players, as it is aiming to grow its volume by 3x over the next four years such as from 0.54 MMSCMD in FY23 to 1.51 MMSCMD in FY27E, on account of various opportunities available to drive the demand at its existing GAs. The issue is valued at 19.3x PE based on its annualized Q1FY24 EPS which is at a reasonable valuation compared to average PE Valuation of 18.6x for listed peers. Thus, we recommend **SUBSCRIBE** to the issue considering its robust future growth.

Listed Peers

FY23 Figures	Gujarat Gas Ltd	Indraprastha Gas Ltd	Mahanagar Gas Ltd	Average	IRM Energy Ltd
Revenue	16,759	14,146	6,299	10,396	980
CAGR (FY20-23)	17.6%	29.7%	28.5%	27.1%	88.0%
EBITDA Margin	14.4%	14.5%	18.8%	16.9%	11.5%
Asset Turns (x)	1.5	1.1	1.0	1.1	1.2
Wkg Cap Days	-18	-0	-50	-45	46
ROCE (%)	31.9%	27.7%	27.5%	27.0%	15.0%
ROE (%)	24.1%	21.1%	20.4%	21.5%	18.2%
Debt/Equity	0.0	0.0	0.0	0.1	0.9
EV/EBITDA	11.9	15.0	9.3	28.6	19.2
P/E	21.6	22.6	11.5	18.6	19.3

Source: RHP, NBRR

Financials

P&L (Rs. Cr)	FY20	FY21	FY22	FY23	Q1FY22	Q1FY23
Revenue	**166**	**212**	**546**	**1,039**	**230**	**245**
Excise Duty	18	22	39	59	16	15
Net Revenue	**148**	**190**	**507**	**980**	**215**	**230**
% Growth		*28%*	*168%*	*93%*		*7%*
Purchases of stock in trade	68	77	248	780	160	168
% of Revenues	*40.9%*	*36.4%*	*45.5%*	*75.0%*	*69.7%*	*68.4%*
Employee Cost	4	4	7	9	2	3
% of Revenues	*2.3%*	*1.9%*	*1.3%*	*0.9%*	*0.8%*	*1.2%*
Other expenses	26	35	65	79	20	17
% of Revenues	*15.9%*	*16.6%*	*12.0%*	*7.6%*	*8.8%*	*7.1%*
EBITDA	**50**	**73**	**186**	**112**	**32**	**42**
EBITDA Margin	*30.0%*	*34.6%*	*34.1%*	*10.8%*	*13.9%*	*17.2%*
Depreciation	9	12	15	21	5	6
Other Income	0	1	3	6	2	3
Interest	10	16	22	23	6	6
PBT	**31**	**46**	**152**	**74**	**23**	**34**
Tax	10	11	39	18	5	6
Tax rate	*33%*	*24%*	*25%*	*24%*	*23%*	*17%*
Share of Profit/(loss) of Joir	0	-0	14	7	3	(1)
Less: Transfer to non-contr	0	0	0	-0.01	0	-0.01
Adj. PAT (norm. Tax)	**21**	**35**	**128**	**63**	**21**	**27**
% Growth		*65%*	*267%*	*-51%*		*31%*
EPS (Post Issue)	**5.14**	**8.50**	**31.18**	**15.38**	**5.00**	**6.56**

Ratios & Others	FY20	FY21	FY22	FY23	Q1FY22	Q1FY23
Debt / Equity	2.0	1.4	0.8	0.9	0.8	0.9
EBITDA Margin (%)	30.0%	34.6%	34.1%	10.8%	13.9%	17.2%
PAT Margin (%)	12.7%	16.5%	23.4%	6.1%	8.9%	11.0%
ROE (%)	28.3%	29.7%	52.5%	18.2%	31.1%	28.8%
ROCE (%)	18.5%	22.0%	39.1%	15.0%	24.8%	22.9%

Turnover Ratios	FY20	FY21	FY22	FY23	Q1FY22	Q1FY23
Debtors Days	10	19	15	14	14	15
Inventory Days	2	1	1	1	1	2
Creditor Days	10	10	8	6	5	7
Asset Turnover (x)	0.6	0.6	1.0	1.3	1.5	1.2

Valuation Ratios	FY20	FY20	FY22	FY23	Q1FY22	Q1FY23
Price/Earnings (x)	98.2	59.4	16.2	32.8	25.2	19.3
EV/EBITDA (x)	43.4	29.5	11.6	19.2	16.8	12.8
EV/Sales (x)	13.0	10.2	3.9	2.1	2.3	2.2
Price/BV (x)	27.7	17.6	8.5	6.0	7.8	5.6

Balance Sheet (Rs. Cr)	FY20	FY21	FY22	FY23	Q1FY22	Q1FY23
Share Capital	27	29	29	30	29	30
Other Equity	48	89	214	316	235	343
Minority Interest+other instruments	0	0	0	0	0	0
Networth	**75**	**118**	**244**	**346**	**264**	**373**
Total Loans	**147**	**163**	**203**	**304**	**205**	**321**
Other non-curr liab.	16	24	35	47	38	57
Lease liabilities	4	6	12	16	12	18
Trade payable	7	10	25	31	38	30
Other Current Liab	19	17	37	48	44	38
Total Equity & Liab.	**267**	**338**	**555**	**793**	**602**	**838**
Property, Plant and Equipment	189	231	285	361	305	388
CWIP	29	20	52	91	44	99
Other Intangible assets	9	10	16	20	16	22
Non Currrent Financial assets	4	10	52	51	52	52
Other non Curr. assets	9	10	9	45	27	40
Inventories	1	1	2	2	1	6
cash and cash equivalents	18	41	100	98	98	104
Investments+loans	0	1	10	54	11	65
Trade receivables(debtor)	5	11	23	39	36	40
Other Current assets	3	3	7	32	11	23
Total Assets	**267**	**338**	**555**	**793**	**602**	**838**

Cash Flow (Rs. Cr)	FY20	FY21	FY22	FY23	Q1FY22	Q1FY23
Profit Before Tax	31	46	152	74	23	34
Provisions & Others	21	27	39	56	35	6
Op. profit before WC	**52**	**74**	**191**	**130**	**59**	**40**
Change in WC	-16	-19	-41	-55	-61	10
Less: Tax	-6	-9	-22	-28	3	-3
CF from operations	**31**	**45**	**129**	**47**	**1**	**47**
Interest income	0	1	2	5	0	-0
Net Inv / sale in MF	-0	-8	-14	-44	-2	-10
Loans (given)/repaid	0	0	-8	0	0	-0
(Purchase)/Sale of FA	-62	-35	-90	-163	-15	-48
CF from Investing	**-62**	**-42**	**-110**	**-202**	**-17**	**-58**
Proceeds from eq share inc sp	8	4	1.6	41	0	0
Proceeds from bank borrowing	32	17	43.7	115	0	26
Changes in borrowing	0	0	-6	-16	2	-9
Stamp duty / lease cost	-1	-1	-1	-2	-1	-1
Finance cost	-9	-14	-19	-19	-5	-5
Dividend	-4	0	-3	-1	0	0
Proceeds from PSI	10	3	0	0	0	0
CF from Financing	**35**	**10**	**15**	**118**	**-3**	**11**
Net Change in cash	**4**	**14**	**33**	**(37)**	**(20)**	**(0)**
Cash & Bank at beginning	8	12	26	59	59	22
Cash & Bank at end	12	26	59	22	39	21

Source: Company Data, NBRR

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Nirmal Bang Research (Division of Nirmal Bang Securities Pvt. Ltd.)
B-2, 301/302, Marathon Innova,
Opp. Peninsula Corporate Park
Off. Ganpatrao Kadam Marg
Lower Parel (W), Mumbai-400013
Board No. : 91 22 6723 8000/8001
Fax. : 022 6723 8010