

India
ADD (Initiating coverage)

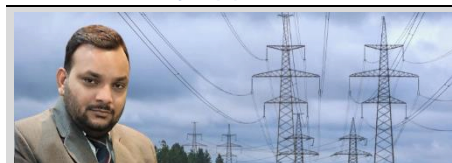
Consensus ratings*:	Buy 0	Hold 0	Sell 0
Current price:	Rs295		
Target price:	Rs400		
Previous target:	NA		
Up/downside:	35.6%		
EIP Research / Consensus:	35.5%		
Reuters:			
Bloomberg:	SKIPPER IN		
Market cap:	US\$384m		
	Rs32,017m		
Average daily turnover:	US\$3.9m		
	Rs327.8m		
Current shares o/s:	112.9m		
Free float:	33.7%		

*Source: Bloomberg



Price performance	1M	3M	12M
Absolute (%)	(16.5)	33.8	218.2
Relative (%)	(16.2)	30.7	151.3

Major shareholders	% held
Pacific Horizon	3.4
Icg Q	1.6
	0.0

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Skipper Limited

Capitalizing on T&D opportunities

- Skipper is one of India's leading T&D players and among the top 10 global T&D structure makers. It is also India's largest & the only integrated T&D company.
- The domestic T&D business is showing signs of a rebound after a two-year slowdown. The order pipeline provides visibility in the coming quarters.
- We expect Skipper to maintain consistent margins & healthy revenue growth. Initiate coverage with an ADD rating and a TP of Rs400 (25x FY26F EPS).

Integrated T&D player

Skipper is one of the leading transmission and distribution (T&D) players, with its focus on structures and distribution poles. The company is among the top 10 global T&D structure manufacturers. It is also India's largest and the only integrated T&D company having its own structure rolling, manufacturing, tower load testing station & transmission line EPC business. We like the T&D space which is showing signs of a rebound after a two-year slowdown, and the domestic transmission line order placement activity is expected to provide visibility to the T&D sector. We like the power T&D sector and our pecking order in this space is Skipper followed by KEC International and Kalpataru Projects International.

India targets 500GW of renewable energy

India's Ministry of Power is taking significant steps towards achieving its goal of installing 500GW of renewable energy capacity by 2030F. To ensure the successful integration of power from renewable sources, it is necessary to establish a strong transmission system in advance. Renewable energy is cost-effective and expanding globally, but often distant from power grids, requiring significant grid investments. The International Energy Agency (IEA) expects a 50% increase in global grid spending over the next 10 years.

T&D and infrastructure businesses on high growth path

The T&D business of Skipper has witnessed strong growth in the past few years, thanks to the strong opportunities in the domestic and international markets. Its order book jumped by 2.7x in the last two years led by a large order received from Bharat Sanchar Nigam (BSNL) recently. Over the past few years, Skipper increased its capacity to 3,00,000mtpa spread across 2msqft.

Initiate coverage with an ADD rating and a target price of Rs400

We expect Skipper to maintain consistent margins and a healthy revenue CAGR of 28% over FY23-26F led by a strong order book of the engineering products segment and healthy performance of the polymer products segment. The domestic T&D environment is showing signs of a rebound after a two-year slowdown. We initiate coverage on Skipper with an ADD rating and a target price of Rs400, valuing the stock at 25x FY26F EPS. Higher commodity prices as well as higher working capital requirements along with the slowdown in orders are the key downside risks.

Financial Summary

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	17,071	19,803	29,239	35,944	41,743
Operating EBITDA (Rsm)	1,493	1,818	2,966	3,712	4,353
Net Profit (Rsm)	251	356	944	1,433	1,804
Core EPS (Rs)	2.4	3.5	8.4	12.7	16.0
Core EPS Growth	19.3%	41.4%	141.5%	51.8%	25.9%
FD Core P/E (x)	120.56	85.25	35.30	23.26	18.48
DPS (Rs)	0.1	0.1	0.3	0.5	0.8
Dividend Yield	0.03%	0.03%	0.08%	0.17%	0.27%
EV/EBITDA (x)	23.38	18.86	12.45	10.01	8.59
P/FCFE (x)	30.96	29.44	(18.72)	23.10	17.69
Net Gearing	62.8%	51.6%	34.0%	32.0%	29.6%
P/BV (x)	4.14	3.95	3.15	2.79	2.44
ROE	3.5%	4.7%	10.3%	12.7%	14.1%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Key investment thesis

Skipper (Rs20bn in FY23 to Rs41.7bn in FY26F)						
Key Segments	Engg. Products		Infra Products		Polymer Products	
Key Products	Transmission & Telecom Tower, Poles, Monopoles, Railway Structures, Tensile Angles		Transmission Line EPS, Telecom EPC, Water EPC, Railway Electrification		UPVC, CPVC, HDPE Pipes and Fitting	
Key Clients	PGCIL, BSNL SEB, Pvt Cos				Retail, Institutions	
Revenue (FY23)	15,239		505		4,059	
Revenue Mix (FY23)	77%		3%		20%	
Revenue CAGR (FY18-23)	3%		1%		21%	
Revenue CAGR (FY23-26F)	28%		92%		14%	
	FY21	FY22	FY23	FY24F	FY25F	FY26F
Order Inflow	8,750	16,480	41,380	36,272	41,713	47,970
Order Book	16,020	21,150	45,510	54,648	65,526	77,744
EBITDA Margin (Blended)	7.4%	8.7%	9.2%	10.1%	10.3%	10.4%
Key Investment Themes	The only integrated T&D player having its own structure rolling, manufacturing, tower load testing station & transmission line EPC business.					
	Huge opportunity in the Indian T&D space as the Ministry of Power is focusing on achieving the goal of installing 500GW of renewable energy capacity by 2030F.					
	Over the past few years, Skipper increased its capacity to 3,00,000mtpa spread across 2msqft. Moreover, it has emerged as a major player in the polymer market with a capacity of 62,000mtpa.					
	Strong opportunities and a healthy order pipeline from PGCIL and international markets. Its engineering products and infrastructure segments are expected to clock a revenue CAGR of 28% and 92% respectively, over FY23-26F.					
	We initiate coverage on Skipper with an ADD rating and a target price of Rs400, valuing the stock at 25x FY26F EPS.					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

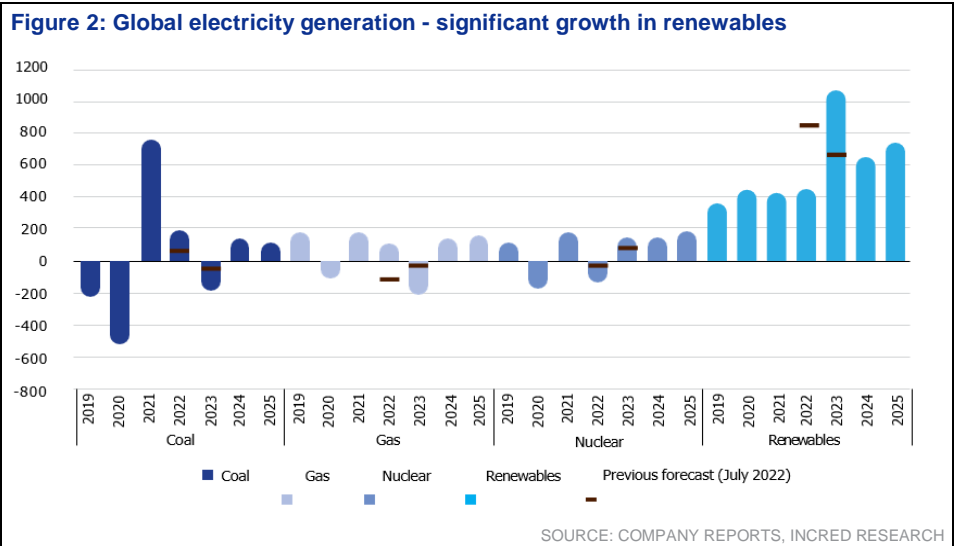
Strong integrated T&D player

Capitalizing on multiple opportunities

Skipper is one of the leading power transmission and distribution (T&D) players focusing on manufacturing structures and distribution poles. The company is among the top 10 global T&D structure manufacturers. It is also India's largest and the only integrated T&D company having its own structure rolling, manufacturing, tower load testing station & transmission line EPC business. While the domestic T&D market is showing signs of a rebound after a two-year slowdown, the domestic transmission line orders are expected to provide momentum to the domestic T&D sector, which is currently worth Rs52bn. Skipper is leveraging its expertise and track record to address the vast potential in the domestic T&D business by capitalizing on the government's efforts to scale renewable grid infrastructure and improve electrification. The order pipeline over the next few years is likely to remain strong led by the government's target of achieving 500GW of renewable energy capacity by 2030F. On the telecom front, with the rollout of the high speed 5G/4G network, the government is set to give a massive push with plans to add 800,000 new mobile towers over the next two years.

Healthy growth in power T&D market across regions

The global T&D industry witnessed robust growth over the past few years led by rapid urbanization and the government's continued focus on renewable energy sources. The modernization of energy grids through high-voltage transmission is set to drive unprecedented market expansion, enhancing reliability and contributing to low-carbon goals. The Asia-Pacific region led in electric power generation and the T&D market remains strong led by rising electricity demand in China and India. The Middle East and Africa regions also witnessed significant growth in electricity access due to grid expansion and improvement in efficiency. The Middle East region is poised for significant changes in its energy mix, driven by the need for reliable and sustainable power generation. Globally, improved electricity access is fuelling continuous industry expansion, offering opportunities for both new entrants and established companies. As per industry estimates, the global T&D market is projected to touch US\$422bn by 2030F, growing at a CAGR of ~6%. Investments in microgrid technology, renewables, and advanced technologies will be key drivers, supported by initiatives like the US\$1,200bn infrastructure bill aimed at accelerating clean energy initiatives. The global transmission line market is likely to touch US\$139bn in 2028F, growing at a CAGR of ~7%.

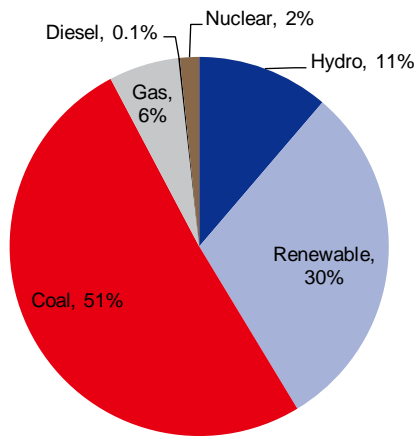


India targets 500GW of renewable energy capacity

The Ministry of Power is taking significant steps towards reaching the goal of installing 500GW of renewable energy capacity by 2030F. To ensure the successful integration of power from renewable sources, it is necessary to establish a strong transmission system in advance. Renewable energy is cost-effective and expanding globally, but often distant from power grids, requiring significant grid investments. The International Energy Agency or IEA predicts a 50% increase in global grid spending over the next 10 years. Inadequate infrastructure can lead to congestion and curtailment problems, deterring investors.

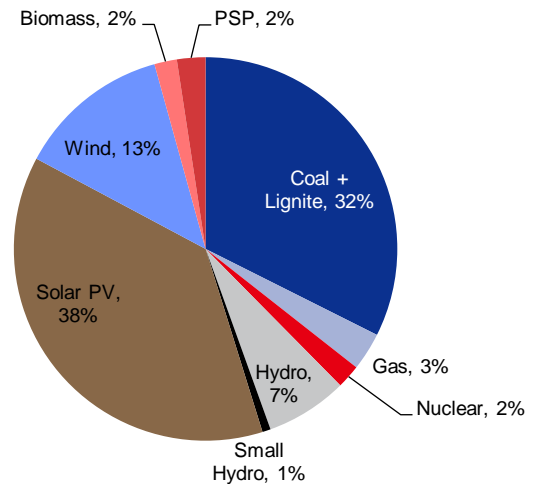
To address this, there's a trend towards sustainable energy adoption and public-private partnerships to upgrade distribution networks. Strengthening the transmission infrastructure will ensure a cleaner, more sustainable energy future. North America and Europe are witnessing the expansion of smart grid networks and large-scale renewable integration. The Asia-Pacific region is witnessing a rise in peak load demand and expansion of microgrid networks. Moreover, there has been an increased electricity demand in the Middle East, Africa and Latin America.

Figure 3: Power capacity in India at 416GW in FY23



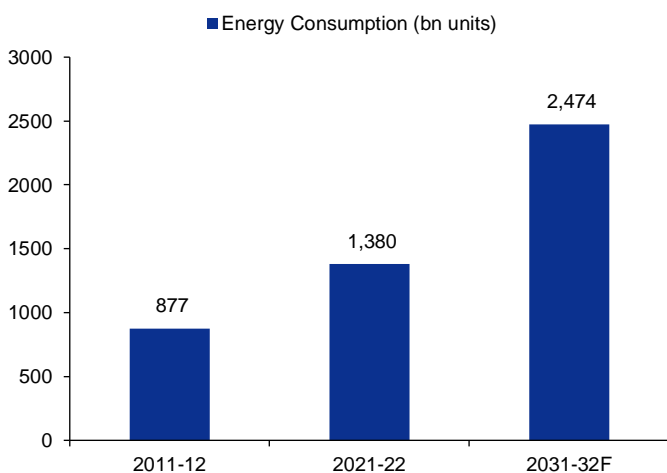
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 4: Power capacity in India seen at 777GW in FY30F



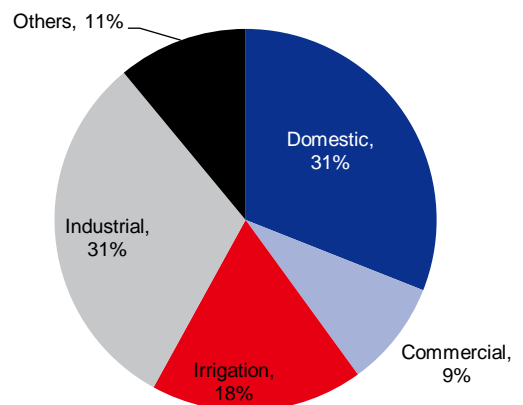
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 5: Energy consumption to remain healthy



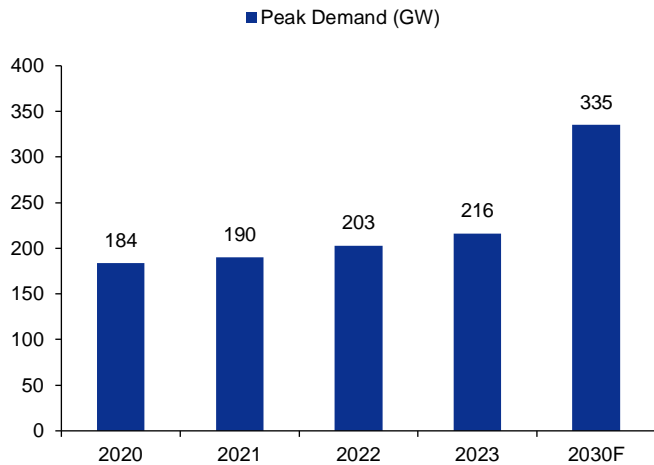
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 6: Energy consumption mix in FY32F



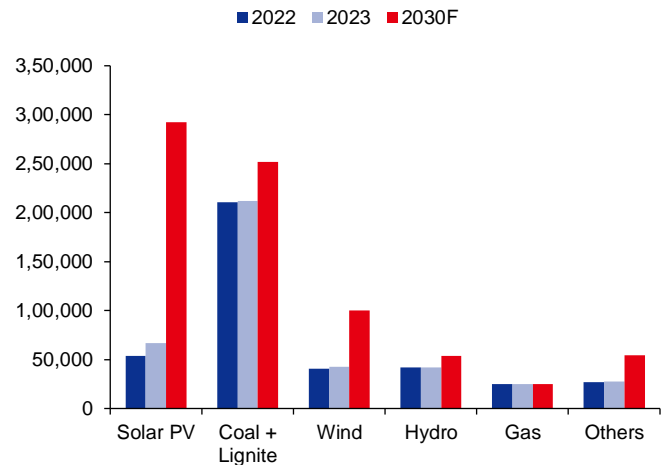
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 7: Peak power demand is expected at 335GW in 2030F



SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 8: Transition towards green energy

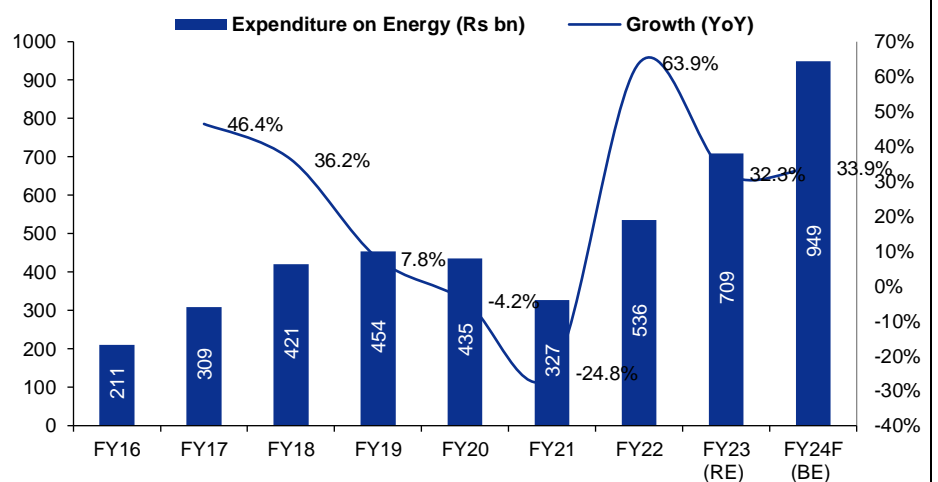


SOURCE: COMPANY REPORTS, INCRED RESEARCH

As per the International Energy Agency, global renewable energy is likely to contribute ~61% to total energy generation by 2030F, compared to 29% currently. Currently, renewable energy contributes less than 10% to global energy needs. India's free trade agreements with nations like Australia bolsters the competitiveness of the country's transmission towers in these markets. The transition towards green energy in developed nations has spurred the demand for modernization of its existing T&D infrastructure. Additionally, the China+1 strategy and a gradual decoupling from China presents new growth prospects for Indian manufacturers. Currently, electricity accounts for only 20% of the total energy consumption globally, with the remaining sourced from oil, coal, and natural gas. To achieve net zero target, this figure needs to surpass 50%, emphasizing the urgency to transition away from fossil fuels, especially underscored by the ongoing Russia-Ukraine war.

Investments in the T&D sector are expected to reach US\$1.1tr annually until 2050F to facilitate this transition. Rural electrification, government initiatives like the Integrated Power Development Scheme (IPDS), Deen Dayal Upadhyay Jyoti Scheme, and the 'National Infrastructure Pipeline have been instrumental in driving the growth of the sector. Moreover, under the North-Eastern Region Power System Improvement Project (NERPSIP), the World Bank is partnering with the government of India to enhance power infrastructure in the northeast region.

Figure 9: Energy expenditure set to grow by 34% in FY24F



SOURCE: BUDGET DOCUMENT, COMPANY REPORTS, INCRED RESEARCH

Modernization of energy grid globally

Renewable energy is in the limelight following the awareness of the harmful environmental impact of CO2 emissions and greenhouse gases worldwide. This trend is expected to encourage the global T&D market in the coming years. Increased initiatives by the governments of various countries to promote the usage of energy generated through renewable energy sources is driving the global T&D market. Mostly driven by urbanization and industrial growth across the globe, global companies are focusing on modernizing the energy grid with high voltage transmission to meet low-carbon goals, as high-voltage transmission grids used for long-distance transmission and renewable power plants are located at a long distance.

Aging energy generation and distribution infrastructure is one of the major challenges faced by developed countries. In the US, around 70% of the transformers are more than 25 years old while 60% of the distribution poles are 30 years old. The advanced metering, monitoring and diagnostic systems, and other smart grid infrastructure would position the country to embrace the modern grid and realize its economic and reliability benefits. Europe is planning to replace 140,000 miles of transition lines. The European Commission plans to invest €50bn annually in grid modification.

Rise in demand for electricity

The Asia Pacific region is a major consumer of electricity, accounting for ~80% of demand, and of this 57% energy is consumed by China. Demand for electricity has risen in China owing to steady economic growth and industrial demand. Demand for electricity has also increased in India, South Korea, Japan and Indonesia in the Asia Pacific region. Around 1.2bn people have gained access to electricity in the developing countries of Asia since the year 2000, with 97% of the region having access in 2020 as compared to 67% in 2000. The number of people gaining access to electricity tripled from 8m a year between 2000-13 to 24m people between 2014-19 in the Middle East & Africa, especially in the rural parts of countries in Africa.

India is mostly dependent on its strong transmission infrastructure to deliver electricity from the various plants to consumers. With renewable energy's share expected to touch 50% of power capacity by 2030F, efficient transmission from solar and wind farms is crucial. However, the concentration of these farms in specific states poses challenges for inter-state power transmission. To prevent renewable energy assets from becoming stranded and to maximize clean energy utilization, India needs to upgrade its inter-state power lines. Despite renewable energy constituting 40% of India's installed capacity, insufficient transmission capacity hampers inter-state power trade. Investing in and modernizing transmission infrastructure is vital for ensuring reliable and sustainable energy.

Figure 10: Transmission line addition of 123,577 ckm in FY23-27F

Transmission line network (ckm)	Inter-state	Intra-state	Total
FY17	1,65,654	2,02,197	3,67,851
Target FY18-22	42,947	67,334	1,10,281
Achieved FY18-22	40,379	48,486	88,865
% Achieved	94.0%	72.0%	80.6%
FY22	2,06,033	2,50,683	4,56,716
Planned addition FY23-27F	53,132	70,445	1,23,577
FY27F	2,59,165	3,21,128	5,80,293

SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 11: Sub-station addition of 722,940 MVA in FY23-27F

Sub-station transformation capacity (MVA)	Inter-state	Intra-state	Total
FY17	3,02,803	4,37,962	7,40,765
Target FY18-22	1,65,415	2,18,275	3,83,690
Achieved FY18-22	1,72,325	1,91,360	3,63,685
% Achieved	104.2%	87.7%	94.8%
FY22	4,75,128	6,29,322	11,04,450
Planned addition FY23-27F	4,38,675	2,84,265	7,22,940
FY27F (expected)	9,13,803	9,13,587	18,27,390

SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 12: Transmission capex of Rs4,759bn during FY23-27F

Power transmission capex: FY23-27	Rs bn	Share (%)
Inter-state transmission system	3,140	66%
Intra-state transmission system	1,619	34%
Total	4,759	100%

SOURCE: COMPANY REPORTS, INCRED RESEARCH

India and China to dominate telecom sector growth

The global telecommunication market is likely to clock a 6% CAGR to touch US\$3,100bn by 2030F, with Asia Pacific countries like China and India to lead the market. North America is also witnessing a decent growth with rapid technological advancements. The rising usage of Internet of Things or IoT, increased smartphone usage, and the emergence of 5G technology are driving market expansion. The integration of artificial intelligence (AI) and machine learning (ML) is enhancing data analysis capabilities, facilitating digital transformation. Moreover, entrepreneurs are leveraging AI solutions to optimize network performance and address connectivity challenges in the evolving telecommunications landscape.

India leads in telecom infrastructure and has recently introduced 5G services, creating additional opportunities and stimulating sector demand. Rural subscriber growth is expected to continue, expanding telecom service accessibility nationwide. The government's focus on digital inclusion and connectivity supports the sustained expansion of the telecom sector, cementing India's position as a vibrant player in the global telecom market. Expectations of steady growth in India's telecom industry over the next decade stem from economic growth and government initiatives, including the pursuit of 6G technology development. Additionally, 800,000 mobile towers are expected to be installed by 2024F while 5G subscriptions are likely to rise to 350m by 2026F.

Figure 13: Growth drivers of India's telecom sector

Increase in data consumption led by 4G.	Smart city opportunities.	Launch of 5G services.	Development of IoT for manufacturing and services sectors.
Tower sharing leading to an increase in the revenue of telcos.	Monetization of towers in emerging business streams.	Increasing teledensity in largely untapped rural markets.	Creation of a robust digital communication infrastructure.

SOURCES: COMPANY REPORTS, INCRED RESEARCH

Moreover, India is poised to become the second-largest smartphone market globally by 2025F, with an estimated 1bn devices in use and ~920m mobile subscribers. The adoption of 5G technology is expected to contribute ~US \$450bn to the Indian economy between 2023-40F. By 2026F, India is projected to have 850m smartphone users, constituting about 55% of the total population. Broadband connections surged to 816m in Sep 2022 from 61m in Mar 2014, marking a growth of 1,238%. By Dec 2024F, the Department of Telecommunications or DoT targets 70% fiberization of towers, average broadband speed of 50mbps, and the rollout of 5mkm of optic fibre across India. Moreover, the government has launched the production-linked incentive (PLI) scheme worth Rs1,220bn for manufacturing telecom and networking products.

Core T&D businesses on high growth path

The T&D business of Skipper has witnessed strong growth in the past few years, thanks to strong opportunities in the domestic and international markets. The company's order book jumped by 2.7x in the last two years led by a large order received from BSNL recently. Skipper is among the top 10 global T&D structure manufacturers, and it is also India's largest and the only integrated T&D company. Over the past few years, Skipper has increased its capacity to 3,00,000mtpa spread across 2msqft. With consistently high-capacity utilization of 90%, an in-house design and engineering department, and 75% production through automated CNC lines, Skipper ensures efficiency and cost-effectiveness for its customers.

Figure 14: Key strengths of engineering products segment

Strong order book of Rs58bn (end-Dec 2023) with a well-diversified mix of domestic (82%) and export orders (18%).

First Indian pole manufacturer to successfully design and supply transmission monopole structures to North America.

Supplied large quantities of towers to the largest-ever transmission line project being constructed in Australia.

Received first-time orders from the countries such as the Dominican Republic, US, Canada, Iraq and Kuwait.

Secured the largest single order worth Rs25,700m from BSNL for the supply and installation of ground-based telecom towers in India.

T&D order book well diversified between power grid, domestic state electricity boards or SEBs/private players and international clients.

12 towers tested in its in-house test station and R&D centre in a month

Supplied and installed the tallest flag mast in India measuring 418ft at the Attari border.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Skipper offers a comprehensive range of tower products, from 66KV to 800KV towers, and provides options for various international material grades. Additionally, the company specializes in guyed towers, offering innovative designs and techniques suited for remote areas or locations with land-use restrictions.

In the infrastructure business, Skipper is a fully integrated EPC player providing comprehensive solutions in tower design, testing, manufacturing, and onsite construction. It has a strong track record of EPC projects relating to power T&D, telecom infrastructure and railway structures across various regions. Additionally, it has ventured into water EPC works, securing its first order worth ~Rs1bn under the Jal Jeevan Mission.

Figure 15: Key capabilities of Skipper

The first company in India to introduce monopoles in the power transmission and distribution segment.

Expands its global presence to 55+ countries and enters new markets rapidly.

One of the few companies in the world to have invested in a DSIR-approved R&D centre and NABL-accredited tower testing station.

In-house design expertise and skilled professionals delivering value-added and cost-effective design solutions enhancing project bids.

Widens its polymer pipes portfolio with the introduction of HDPE pipes, CP bath fittings and accessories, and water storage tanks – Marina.

Only polymer pipe company in India to implement the Theory of constraints (ToC) into its operations, with a growing national presence.

Expertise in the railway EPC sector, especially being the manufacturer of galvanized steel structures and SPS for railway OHE and TSS.

Proven credibility with a track record of working with more than 150 EPC players across the globe.

Manufacturing units located close to raw material sources, helping the company enjoy cost benefits and lower supply lead time.

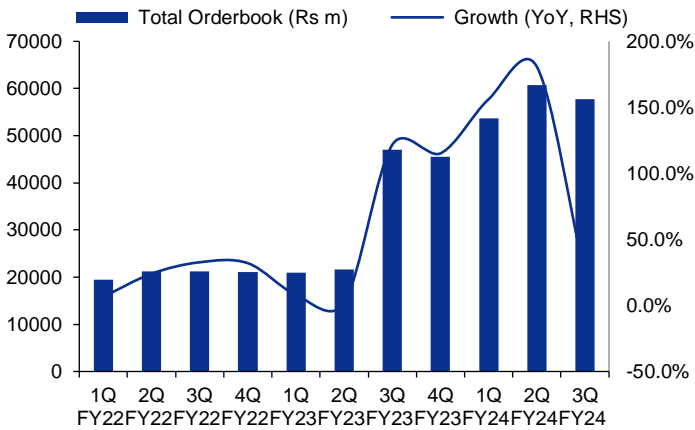
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Skipper manufactures a wide array of engineering products used in several industries. The company is distinguished within its industry due to the possession of captive rolling mills and galvanizing plants. With four manufacturing plants approved by the Power Grid Corporation of India (PGCIL), along with seven in-house galvanizing facilities, the company has the capacity to handle materials of diverse dimensions. This capability has led it to achieve a significant milestone as the first company in India to produce and supply 800KV transmission towers to PGCIL. Skipper has fully integrated facilities which contribute to enhanced quality, timely delivery, and superior customer service.

Large orders from BSNL

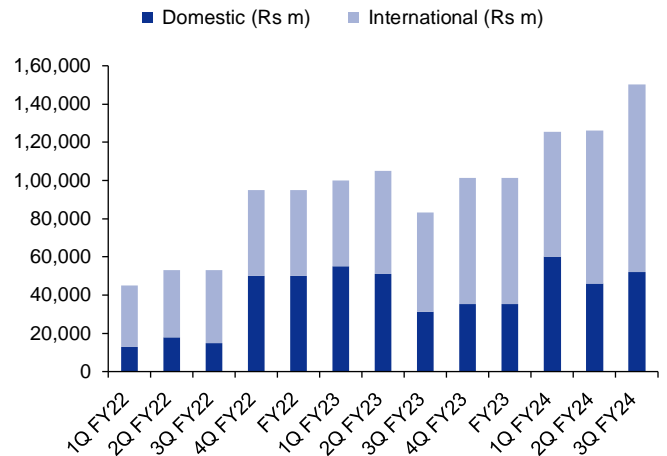
Skipper has received a large order of Rs25.7bn from Bharat Sanchar Nigam Limited (BSNL) to supply ground-based telecom towers. The scope of work includes the supply, installation and maintenance of infrastructure facilities in the villages that are not yet covered across India. This project aims to achieve 4G saturation and includes a five-year contract with the possibility of a five-year extension. The project is on track and the company has already executed 60% of this order.

Figure 16: Order book stands at Rs57bn



SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 17: Bidding pipeline worth Rs150bn



SOURCE: COMPANY REPORTS, INCRED RESEARCH

Shifts focus to domestic T&D market

On the export front, Skipper has posted the highest-ever engineering product sales worth Rs7.2bn (+80% YoY) on the back of healthy order inflow, focus on enhancing export competitiveness and establishing itself as a prominent player in the global industry. The company has its presence in the high-potential developed markets of North America, Australia, Asia-Pacific, the Middle East and West Africa.

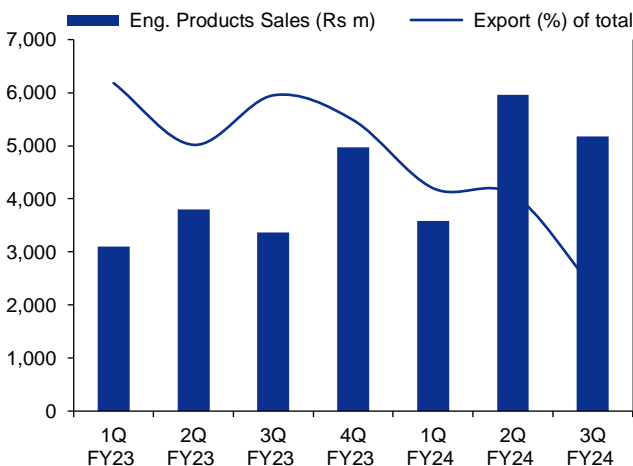
Figure 18: Export opportunity

Increased export growth potential	Favourable business climate	Enhanced brand positioning
Targeting a significant increase in export revenue and order book.	Post Covid-19 pandemic, India has emerged as a preferred sourcing location vs. other Asian countries.	Recent establishment of an R&D centre and tower testing station significantly improves brand positioning in overseas markets.
Established market presence	Global recognition	In-house design capability
Working with over 150 global EPC players.	Receives initial orders and enquiries from various countries including Europe, Australia, Dominican Republic, Iraq, Kuwait, Canada and others.	Leveraging in-house design expertise to deliver value-added and cost-effective design solutions.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

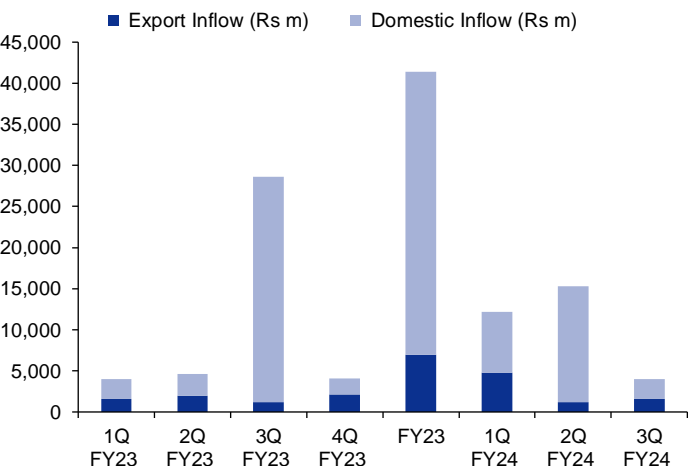
However, the trend has shifted towards the domestic market, given strong opportunities and a healthy order pipeline from PGCIL. The company has gained several accreditations in India for manufacturing products that can be supplied to global markets. The strong export business has enabled it to become the most cost-effective manufacturer in India and one of the most cost-effective manufacturers globally. The company's exports accounted for 18% of sales at the end of 3QFY24 from 45% at the end of FY22 while export revenue stood at 20% vs. 50% in the same period.

Figure 19: Export revenue declines to 20%



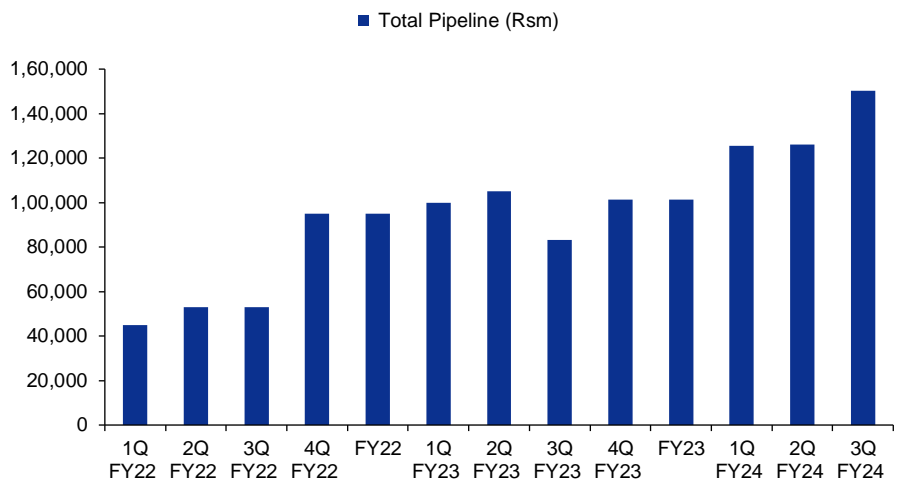
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 20: Order inflow mix moving towards domestic market



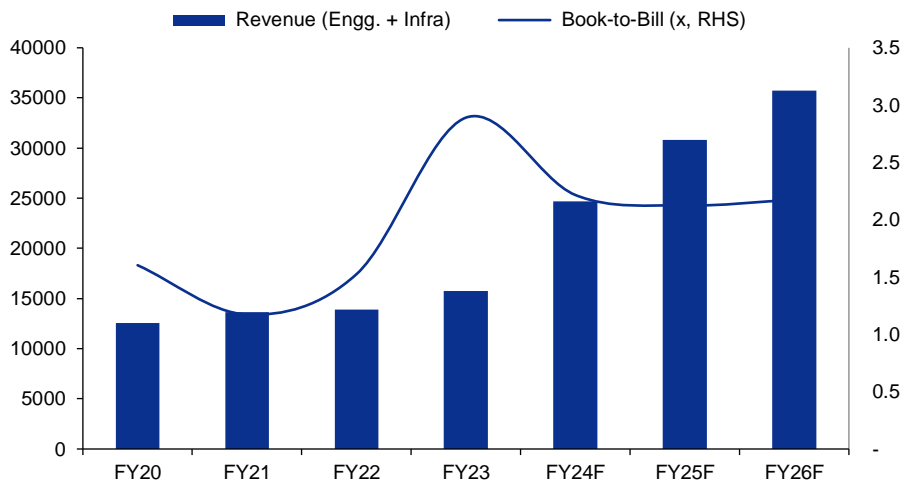
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 21: Strong bidding pipeline



SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 22: Book-to-bill ratio seen healthy at 2.2x in FY24F

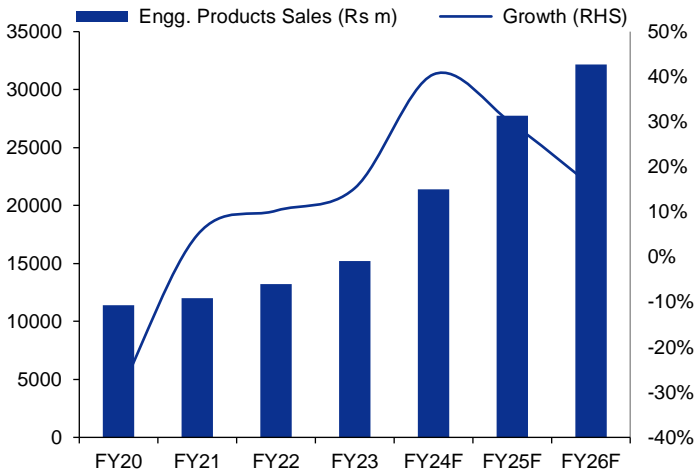


SOURCE: COMPANY REPORTS, INCRED RESEARCH

Engineering product & infrastructure product segments to clock healthy growth

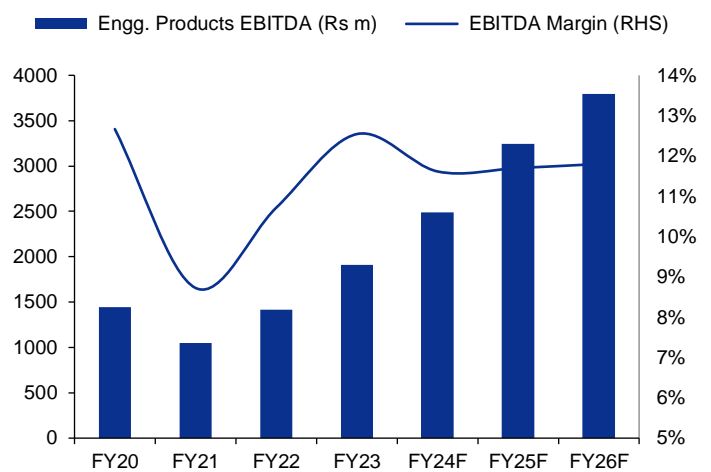
We expect its engineering products revenue to clock a 27% CAGR based on the strong order book, with an EBITDA margin of 11.4%-12.5%. The infrastructure products segment is likely to report a 91% CAGR while its margins are set to expand from 4.7% in FY23 to 5.9% in FY26F. The growth momentum is likely to continue, given the strong order book, pick-up in execution and diversification into international markets which is likely to improve the profitability and return ratios in the coming years.

Figure 23: Engineering product segment's revenue to clock a 27% CAGR



SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 24: EBITDA margin to remain stable at 11-12%

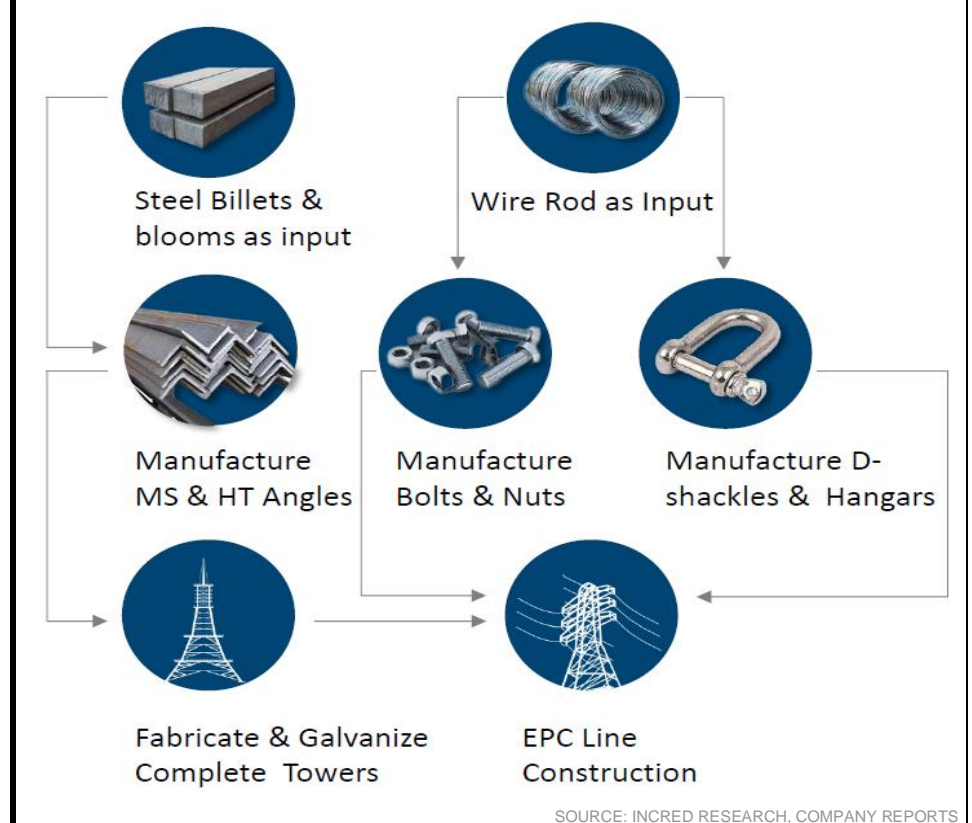


SOURCE: COMPANY REPORTS, INCRED RESEARCH

Higher margins versus peers on the back of integrated operations

Skipper, unlike its competitors, has an integrated manufacturing facility with offerings across the value chain. The company procures steel billets and manufactures angles in-house, followed by tower manufacturing and galvanizing while other transmission tower manufacturers procure angles from steel rollers to manufacture the end-product. Integrated manufacturing enables in controlling the entire value chain and achieving higher margins. The integrated capacity is vital, as there are not many steel rollers in the eastern region of India. Due to this advantage, Skipper ends up being more competitive even vs. other EPC contractors having captive tower manufacturing capacity.

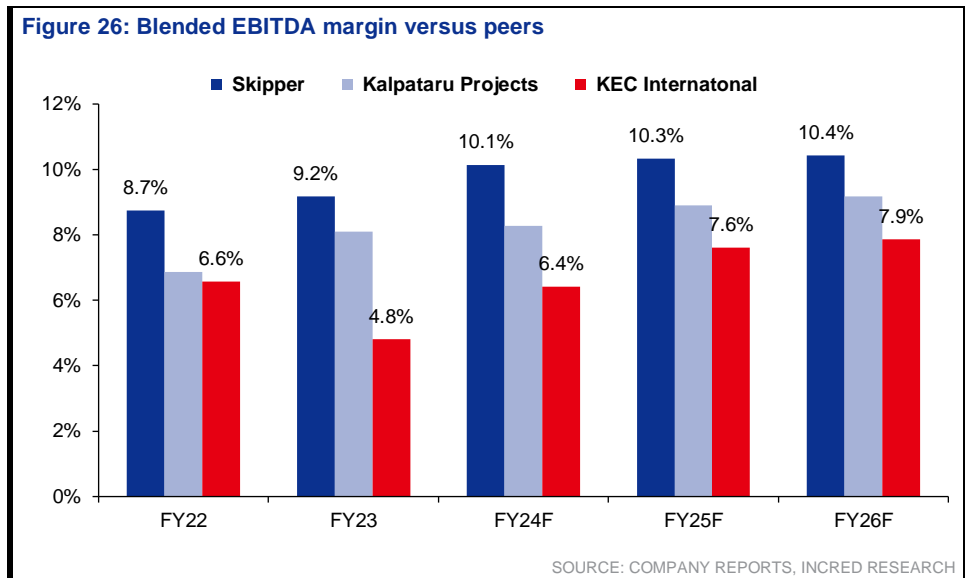
Figure 25: Presence across the value chain



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Skipper has its entire tower manufacturing capacity in the eastern region in areas like Howrah and Guwahati, which are closer to the steel manufacturing hubs. This

helps the company to cut logistics costs of its inputs. On the output side, Skipper’s logistic costs are like those in the northern and southern regions.



Polymer business is on track

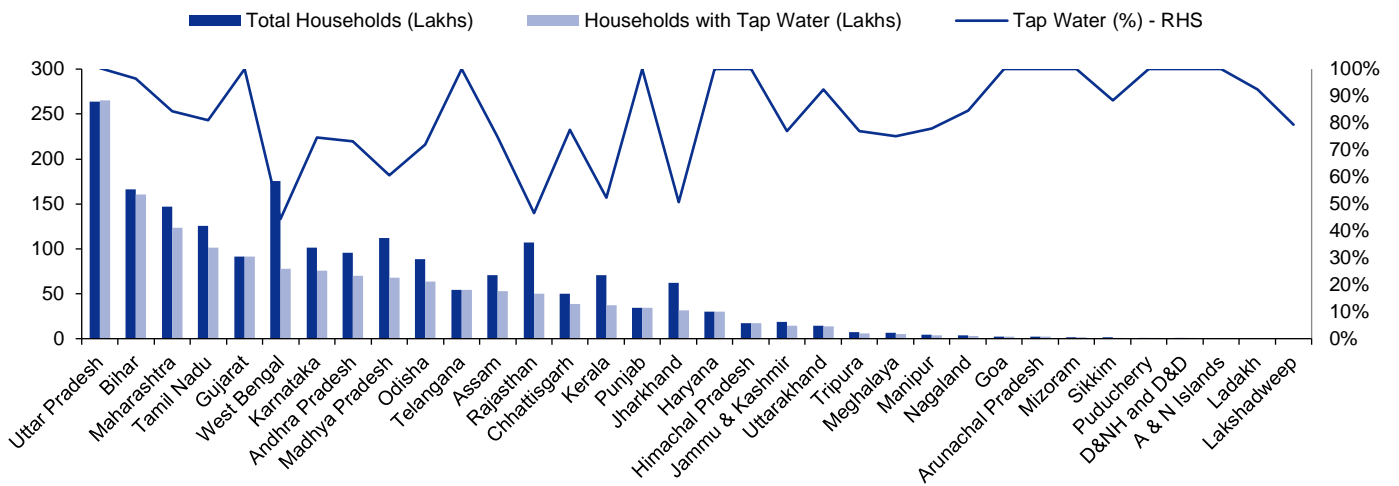
Strong macros in place for the growth of polymer business

The government’s higher budgetary allocation towards Pradhan Mantri Awas Yojana (PMAY) and Jal Jeevan Mission (JJM) is expected to drive the demand for water pipes in India. The JJM initiative aims to provide tap water connections to all rural households by the end of 2024F, leading to a surge in demand for PVC pipes and fittings to facilitate water flow in rural areas. From 16% of the rural houses having access to tap water, the Har Ghar Jal Mission has helped it cover more than 57% of rural households.

India’s plastic pipe market is valued at Rs474bn currently and is likely to clock a 14% growth in the coming years. The government’s considerable investments in infrastructure are fuelling heightened demand for plastic pipes, extensively deployed across diverse infrastructure ventures encompassing water supply, sewerage, and gas distribution. Also, in the interim budget for 2024-25, the allocation for infrastructure capital investment has been increased to Rs11tr, a 3x jump in the allocation compared to FY20. With the government’s sustained emphasis on achieving its target, significant growth is likely for the Indian plastic pipe market in the foreseeable future.

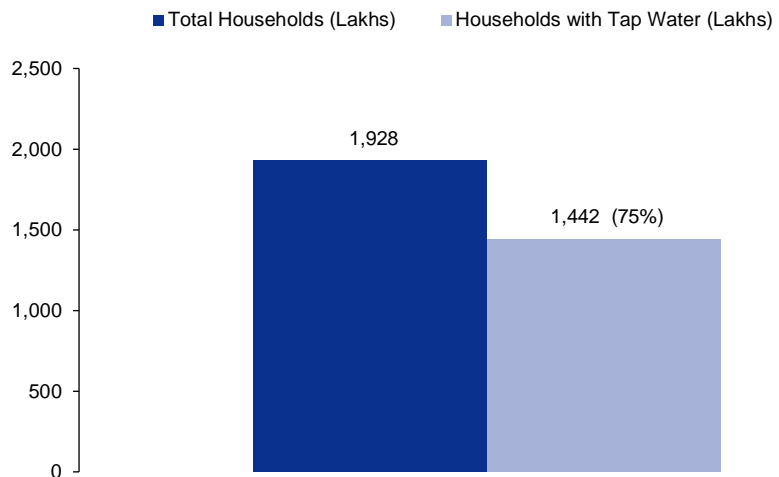
The government has embarked on substantial investments in water supply infrastructure, encompassing the construction of dams, canals, and pipelines. Plastic pipes find extensive application in various water supply functions such as water mains, distribution pipes, and household connections. The rapid urbanization witnessed in India has spurred heightened demand for contemporary and efficient plumbing and water management systems, consequently fuelling the need for plastic pipes. Moreover, as water scarcity becomes a significant issue in the future, the use of efficient pipes and fittings is expected to help address this problem.

Figure 27: Water supply under Jal Jeevan Mission as of 29 Feb 2024



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 28: 75% of the households in India provided with tap water (as of end-Feb 2024)

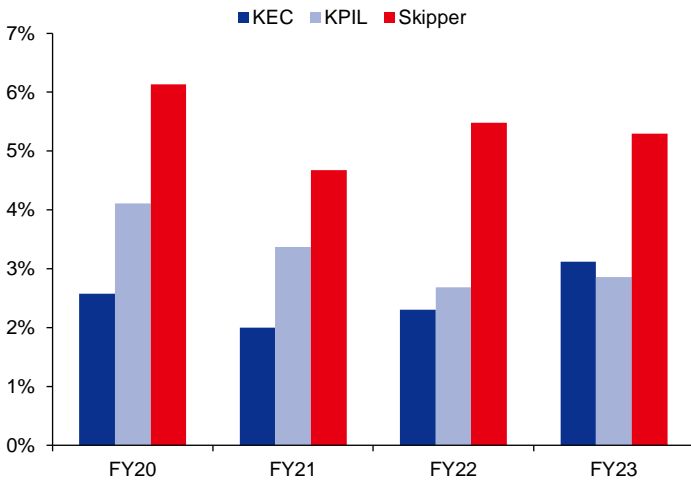


SOURCE: INCRED RESEARCH, COMPANY REPORTS

Peer comparison

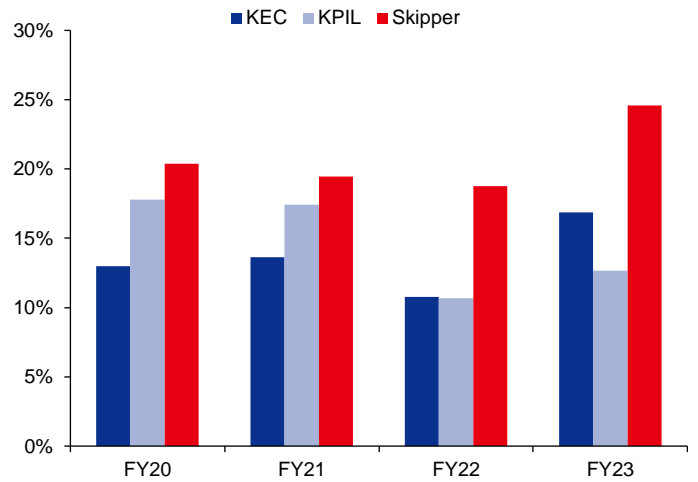
Skipper is a relatively smaller player compared to KEC International and Kalpataru Projects International in the power T&D market but enjoys a higher EBITDA margin led by its integrated manufacturing facility with offerings across the value chain. Return ratios are lower compared to peers due to higher interest costs, which is at 5.3% of sales, while KEC International and Kalpataru Projects International's interest costs are ~3% of their sales in FY23.

Figure 29: Interest costs, as a percentage of sales, remain high for Skipper



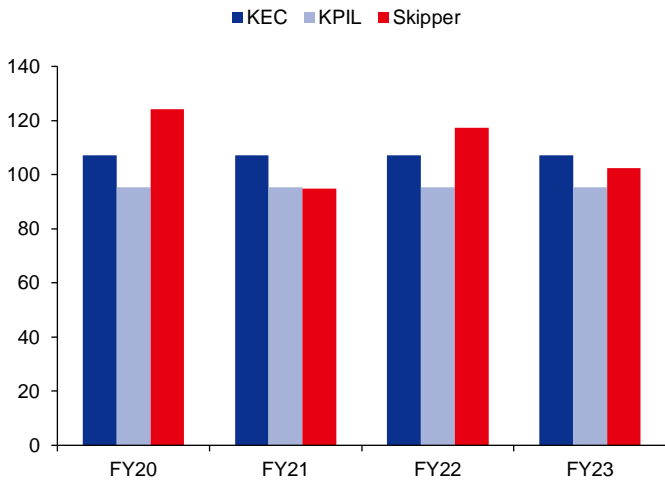
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 30: Cost of debt



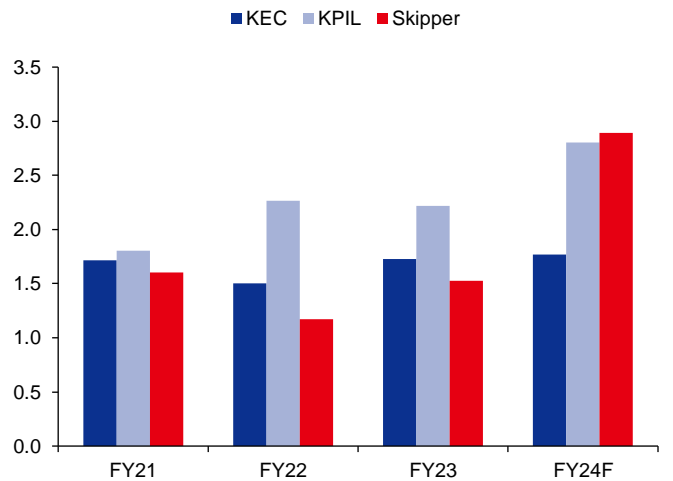
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 31: Net working capital or NWC days largely in line with its peers



SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 32: Skipper's Book-to-bill of 2.2x in FY24F



SOURCE: COMPANY REPORTS, INCRED RESEARCH

Valuation

- We expect Skipper to maintain consistent margins and a healthy revenue CAGR of 27% over the next three years, led by strong order book of the engineering products segment and healthy performance of the polymer products segment.
- The domestic T&D environment is showing signs of a rebound after a two-year slowdown. Additionally, pending domestic transmission line orders are expected to provide momentum to the domestic T&D industry.
- The domestic order pipeline stands at Rs52bn currently, while it is expected to improve significantly led by the government's 500GW renewable integration plan by 2030F.
- With the rollout of high speed 5G/4G networks, the government is set to give a massive push to the telecom infrastructure across the country, with plans to add 800,000 new mobile towers over the next two years.
- The company expects sustained momentum in the international transmission lines sector and is well positioned to benefit from global enquiries.
- With an intensified focus on the international market, the company has achieved global competitiveness and has a robust international bidding pipeline worth Rs98bn.
- Skipper's polymer pipes' brand campaign is seeing excellent market acceptance and robust demand growth. With the positive response, the company intends to increase its campaign spread to other geographies as well as capture new markets in the next couple of quarters.
- We initiate our coverage on Skipper with an ADD rating and a target price of Rs400, valuing the stock at 25x FY26F EPS.

Risks

- **Higher commodity prices:** They impact margins in the case of fixed-price contracts. Any further losses in overseas markets may also impact the company's earnings.
- **Higher working capital:** The working capital intensity remains high due to the long execution span of projects, milestone-based payments and retention money requirement. The company recently raised Rs2bn for working capital management; we expect the working capital requirement to remain at 100 days in coming years.
- **Slowdown in orders:** Any delay in finalization of tenders in the domestic/international T&D markets may hit order inflow.

Figure 33: Key assumptions/estimates

(Rs m)	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F
Engg. Products Sales	11,425	11,986	13,218	15,239	21,412	27,752	32,176
Growth	-31%	5%	10%	15%	41%	30%	16%
Polymer Products Sales	1,363	2,165	3,200	4,059	4,580	5,109	5,992
Growth	-15%	59%	48%	27%	13%	12%	17%
Infrastructure Products	1,116	1,664	652	505	3,248	3,084	3,575
Growth	70%	49%	-61%	-23%	543%	-5%	16%
Segmental Sales	13,905	15,815	17,071	19,803	29,239	35,944	41,743
Revenue Mix	100%	100%	100%	100%	100%	100%	100%
Engg. Products	82%	76%	77%	77%	73%	77%	77%
Polymer Products	10%	14%	19%	20%	16%	14%	14%
Infrastructure Products	8%	11%	4%	3%	11%	9%	9%
EBITDA							
Engg. Products	1447	1,046	1,416	1,911	2,487	3,247	3,797
Polymer Products	59	79	110	192	245	286	342
Infrastructure Products	349	33	(38)	21	186	179	215
Total	1,855	1,158	1,488	2,124	2,918	3,712	4,353
EBITDA Margin (%)	9.9%	8.6%	9.8%	9.7%	10.1%	10.3%	10.4%
Engg. Products	12.7%	8.7%	10.7%	12.5%	11.6%	11.7%	11.8%
Polymer Products	4.4%	3.7%	3.4%	4.7%	5.4%	5.6%	5.7%
Infrastructure Products	31.2%	2.0%	-5.9%	4.2%	5.7%	5.8%	6.0%

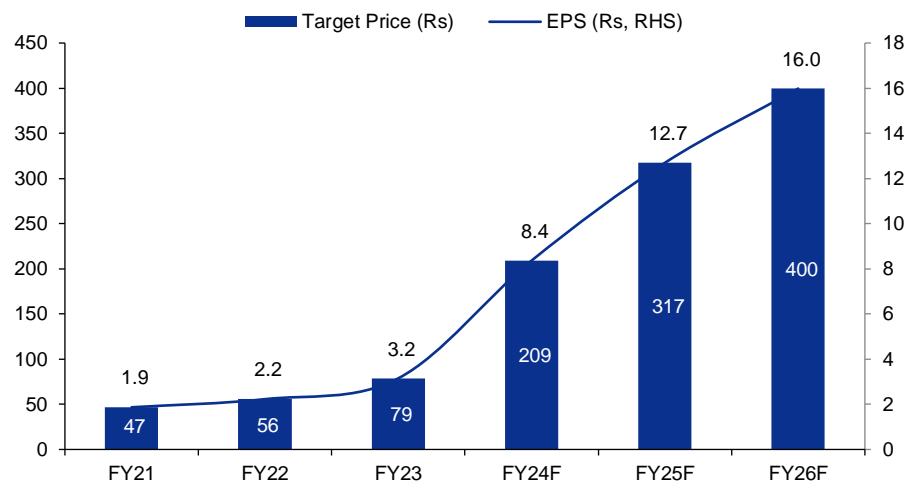
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 34: Valuation table

Skipper								
CMP (Rs)	295							
Mean P/E	23.9							
Target P/E (x)	25.0							
Premium/(Discount)	4%							
Target Price in Rs (FY26F)	400							
Expected Return (%)	35.3							
Price Sensivity Analysis								
	EPS (Rs)	Growth (%)	P/E (x)	21.0	23.0	25.0	Target P/E multiple (x)	
							27.0	29.0
FY21	1.9		158.5	39	43	47	50	54
FY22	2.2	19.3%	132.9	47	51	56	60	65
FY23	3.2	41.4%	94.0	66	72	79	85	91
FY24F	8.4	165.5%	35.4	176	192	209	226	243
FY25F	12.7	51.8%	23.3	267	292	317	343	368
FY26F	16.0	25.9%	18.5	336	368	400	432	463

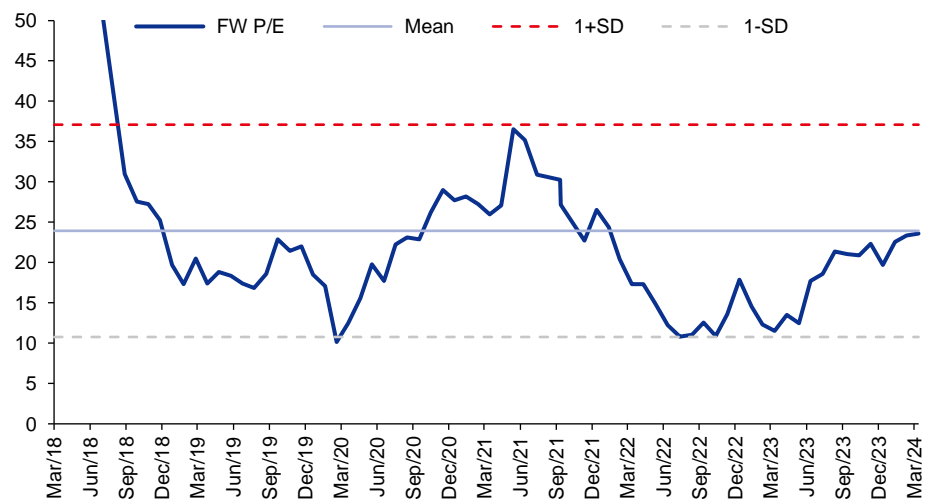
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 35: EPS to witness healthy growth



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 36: Skipper trades at mean P/E level



SOURCE: COMPANY REPORTS, INCRED RESEARCH

Scenario Analysis

Figure 37: Scenario analysis

	Bull Case	Base Case	Bear Case
Revenue CAGR	33%	28%	18%
FY26F EBITDA Margin	10.9%	10.4%	9.5%
FY26F EPS (Rs)	20.6	16.0	4.8
Target P/E (x)	27.0	25.0	23.0
Target Price (Rs)	555	400	110
Upside	87.6%	35.0%	-62.7%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 38: Base-case scenario

Base-case Scenario	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F	CAGR FY23-26F (%)
Total Sales	13,905	15,815	17,071	19,803	29,239	35,944	41,743	28%
Growth (YoY, %)		13.7%	7.9%	16.0%	47.6%	22.9%	16.1%	
EBITDA	1,397	1,173	1,493	1,818	2,966	3,712	4,353	34%
Growth (YoY, %)		-16.0%	27.3%	21.7%	63.2%	25.1%	17.3%	
EBITDA Margin (%)	10.0%	7.4%	8.7%	9.2%	10.1%	10.3%	10.4%	
PAT	415	211	251	356	944	1,433	1,804	72%
Growth (YoY, %)		-49.2%	19.3%	41.4%	165.5%	51.8%	25.9%	
PAT Margin (%)	3.0%	1.3%	1.5%	1.8%	3.2%	4.0%	4.3%	
EPS (Rs)	3.7	1.9	2.2	3.2	8.4	12.7	16.0	72%
Growth (YoY, %)		-49.2%	19.3%	41.4%	165.5%	51.8%	25.9%	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Base-case scenario: In this scenario, we expect a 28% CAGR in revenue with the average EBITDA margin at 10.3% during FY23-26F, which translates into EBITDA and PAT CAGR of 34%, and 72%, respectively. Assigning a 25x P/E multiple to its FY26F EPS, we arrive at a target price of Rs400.

Figure 39: Bull-case scenario

Bull-case Scenario	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F	CAGR FY23-26F (%)
Total Sales	13,905	15,815	17,071	19,803	29,992	38,369	46,478	33%
Growth (YoY, %)		13.7%	7.9%	16.0%	51.4%	27.9%	21.1%	
EBITDA	1,397	1,173	1,493	1,818	3,132	4,154	5,079	41%
Growth (YoY, %)		-16.0%	27.3%	21.7%	72.3%	32.6%	22.3%	
EBITDA Margin (%)	10.0%	7.4%	8.7%	9.2%	10.4%	10.8%	10.9%	
PAT	415	211	251	356	1,106	1,751	2,322	87%
Growth (YoY, %)		-49.2%	19.3%	41.4%	211.0%	58.3%	32.6%	
PAT Margin (%)	3.0%	1.3%	1.5%	1.8%	3.7%	4.6%	5.0%	
EPS (Rs)	3.7	1.9	2.2	3.2	9.8	15.5	20.6	87%
Growth (YoY, %)		-49.2%	19.3%	41.4%	211.0%	58.3%	32.6%	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Bull-case scenario: In this scenario, we expect a 33% CAGR in revenue with the average EBITDA margin at 10.7% during FY23-26F, which translates into EBITDA and PAT CAGR of 41%, and 87%, respectively. Assigning 27x P/E multiple to its FY26F EPS, we arrive at a target price of Rs555.

Figure 40: Bear-case scenario

Bear-case Scenario	FY20	FY21	FY22	FY23	FY24F	FY25F	FY26F	CAGR FY23-26F (%)
Total Sales	13,905	15,815	17,071	19,803	27,259	30,784	32,672	18%
Growth (YoY, %)		13.7%	7.9%	16.0%	37.6%	12.9%	6.1%	
EBITDA	1,397	1,173	1,493	1,818	2,284	2,876	3,113	20%
Growth (YoY, %)		-16.0%	27.3%	21.7%	25.7%	26.0%	8.2%	
EBITDA Margin (%)	10.0%	7.4%	8.7%	9.2%	8.4%	9.3%	9.5%	
PAT	415	211	251	356	222	509	542	15%
Growth (YoY, %)		-49.2%	19.3%	41.4%	-37.5%	129.1%	6.5%	
PAT Margin (%)	3.0%	1.3%	1.5%	1.8%	0.8%	1.7%	1.7%	
EPS (Rs)	3.7	1.9	2.2	3.2	2.0	4.5	4.8	15%
Growth (YoY, %)		-49.2%	19.3%	41.4%	-37.5%	129.1%	6.5%	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Bear-case scenario: In this scenario, we expect a 18% CAGR in revenue with the average EBITDA margin at 9.1% during FY23-26F, which translates into EBITDA and PAT CAGR of 20%, and 15%, respectively. Assigning a 23x P/E multiple to its FY26F EPS, we arrive at a target price of Rs110.

Figure 41: Relative valuation

Company	Rating	Target Price (Rs)	Market Cap (Rs bn)	CMP (Rs)	Upside (%)	P/E (x)			EV/EBITDA (x)			ROE (%)			ROCE (%)			Revenue CAGR FY23-26F (%)
						FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	
Skipper	ADD	400	34	295	34.5%	30.5	20.1	16.0	10.9	8.8	7.6	10.3%	12.7%	14.1%	17.9%	19.2%	20.3%	28.2%
KEC International	ADD	800	173	675	18.4%	39.1	20.3	16.8	17.1	12.3	10.8	11.3%	19.2%	19.5%	14.3%	17.4%	19.2%	12.6%
Kalpataru Projects	ADD	1,000	174	1,069	-6.5%	29.0	21.0	16.6	13.9	11.0	9.2	10.7%	13.4%	15.0%	12.1%	15.0%	16.7%	17.6%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Company overview

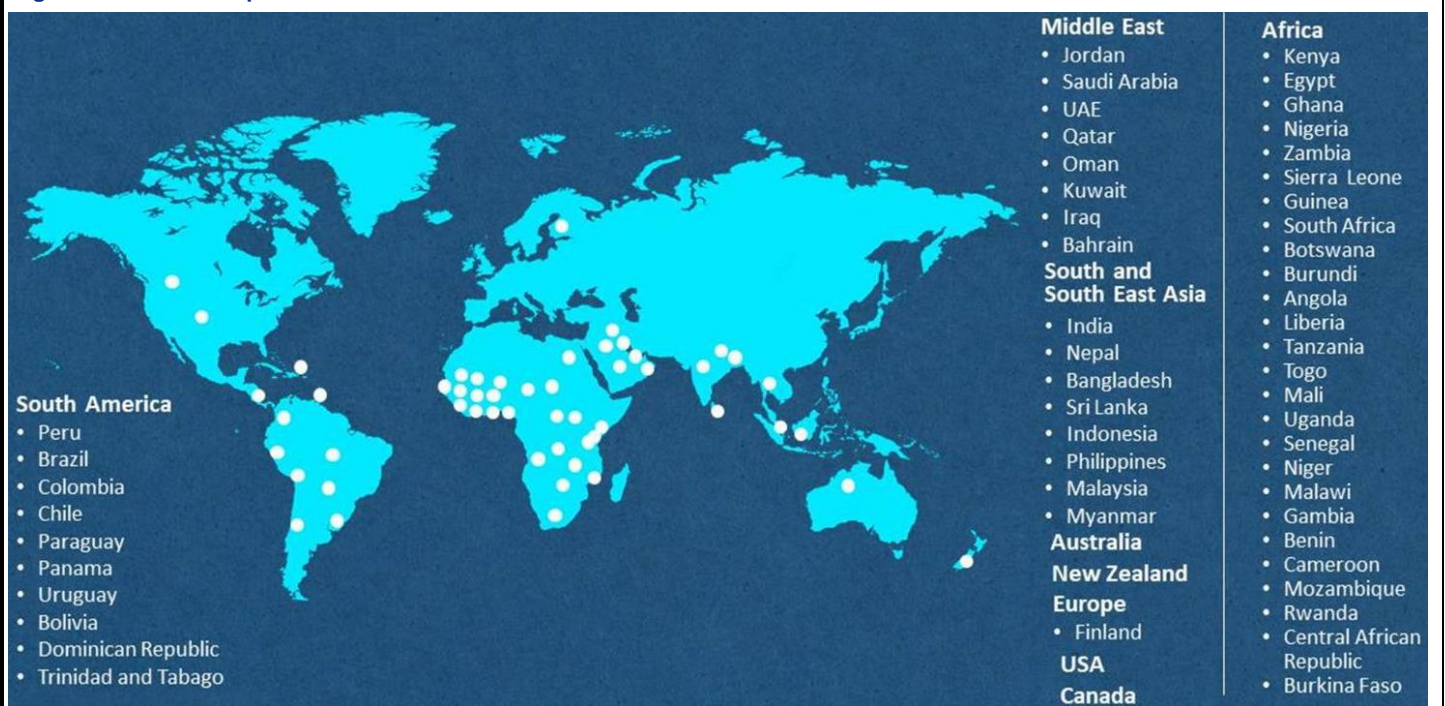
- Skipper, incorporated in 1981, is the world's only integrated T&D company which provides its own structure rolling, manufacturing, tower load testing station and transmission line EPC, with a capacity of 3,00,000mtpa.
- The company has a strong presence across high-growth sectors like telecom, railway, power T&D, water EPC among others, which are the essential components of India's infrastructure development.
- The strategy of broadening its offerings across multiple segments has effectively diversified the company's business model, reducing the risks.
- The emergence as a prominent player in the PVC pipe segment has established Skipper as a comprehensive solutions provider for its customers. It has a polymer capacity of 62,000mtpa. The company has 3,000+ employees and exports its products to 55+ countries as of end-Dec 2023.
- The company has state-of-the-art manufacturing facilities with cutting-edge automated equipment and the latest technology. Its expertise in engineering and design ensures product quality with optimal process costs.
- Skipper offers a one-stop shop experience by providing a wide range of products, accessories, and technical services in-house. The company has strategically located its plants in the eastern region, ensuring access to adequate power supply, proximity to Kolkata port, and cost-effective labour.
- Skipper has remained the largest supplier to PGCIL for three consecutive years. It was the supplier of India's first order for 800KV transmission towers from PGCIL. The company has PGCIL-approved and ISO-certified plants with significant manufacturing capacity, enabling participation in large-scale project orders.

Figure 42: Manufacturing capacity

City	State	Capacity (mtpa)
Uluberia	West Bengal	1,30,000
Junglepore, Howrah	West Bengal	1,04,000
BCTL, Howrah	West Bengal	36,000
Guwahati	Assam	30,000
Total		3,00,000

SOURCE: INCRED RESEARCH, COMPANY REPORTS

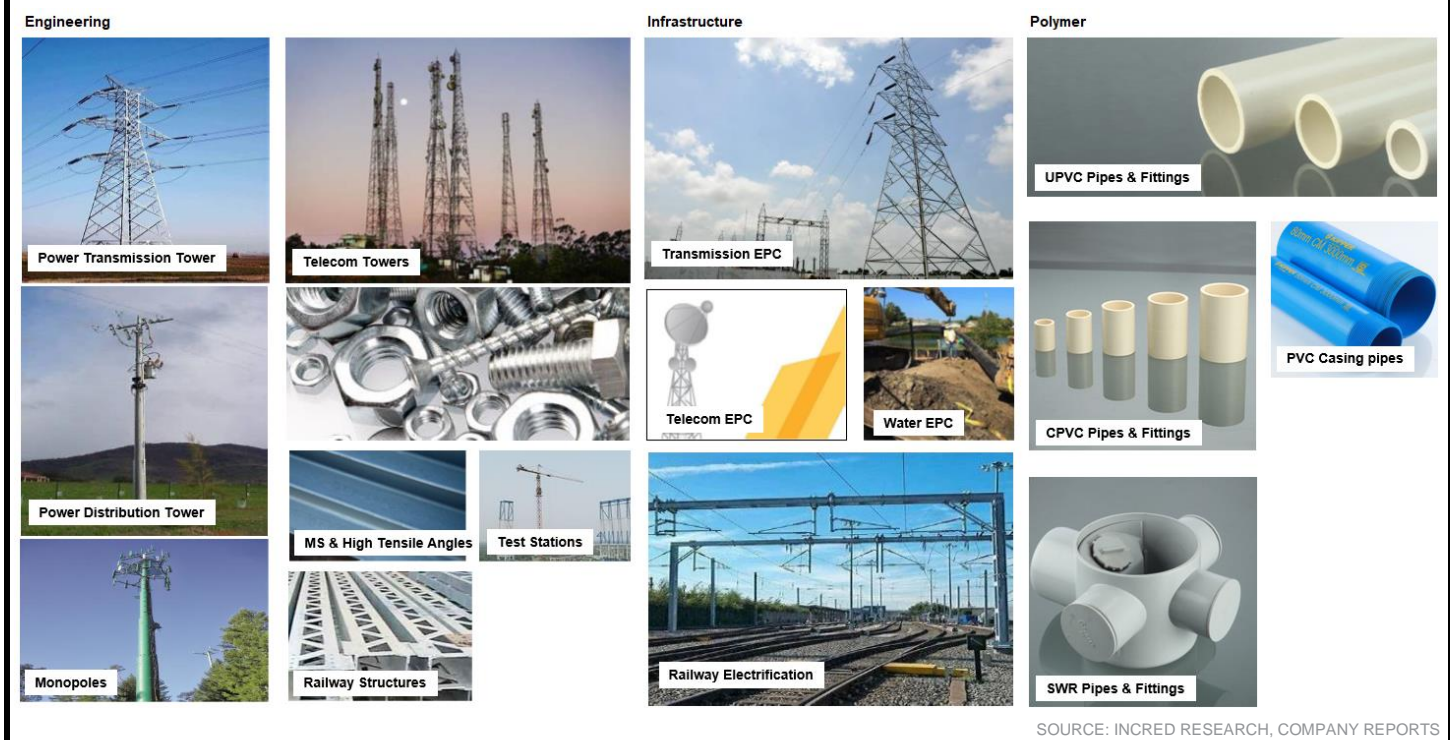
Figure 43: Global footprint across 55+ countries



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Product profile

Figure 44: Diversified product portfolio



Major products

- **Engineering**

- **Telecom towers:** Skipper has gained expertise through engagements with diverse clients in the telecom industry and has a strong background in structural engineering. In addition to manufacturing and supplying telecom structures, Skipper provides associated engineering services, including civil and electrical works, as well as geotechnical analysis and design engineering, providing comprehensive single-window solutions for its clients.
- **Poles:** Skipper's steel poles are extensively utilized in power distribution & lighting projects in India (RGGVY and APDRP) as well as Gulf & African countries. Skipper manufactures lighting poles ranging from 5 to 16 metres, serving various applications like street lighting, telecom cabling and power distribution. Distribution monopoles, galvanized up to 33KV, offer advantages like durability and lightweight, while transmission monopoles range from 33KV to 765KV, with Skipper being the sole Indian company to have developed and tested a 765 KV monopole.
- **Fasteners & tower accessories:** Skipper produces top-grade fasteners used in transmission lines. The company manufactures a variety of transmission line tower accessories, including hangers, D-shackles, bird guards, and anti-climbing devices known for their durability, strength and corrosion resistance.
- **Hot rolled structures:** Hot rolled structures from re-heating of billets and blooms, as per specific customer requirements, like length and standards, which are then straightened and packed accordingly.
- **Railway structures:** Skipper is a leading manufacturer of galvanized steel structures and SPS for railway OHE and TSS. It manufactures products as per RDSO / CORE specifications for railway electrification projects including sub-station / wire mesh barriers, etc.

- **Infrastructure**

- **EPC:** Skipper is a fully integrated EPC major that offers comprehensive solutions in tower design, testing, manufacturing, and onsite construction. The company specializes in EPC projects relating to power T&D, telecom infrastructure, and railway structures across various regions. It has specialized teams for live-line works, retrofitting, power evacuation, project management, inspection, and construction management to ensure seamless services for its clients. Skipper has also ventured into water EPC works and secured its first order of over Rs1bn under the Jal Jeevan Mission in FY23.
- **HDD:** The company also provides horizontal directional drilling (HDD) that expedites the installation of underground utilities without the need for surface excavation, thereby minimizing the environmental impact and associated costs. The company specializes in providing trench-less horizontal drilling services for various applications including optic fibre cable networks, oil & gas pipelines, and cable networks. Key clients include companies like L&T, JUSCO, CESC, BSNL, Reliance Infocom, etc.
- **Coating services:** Skipper's coating services provide protection for a variety of products, enhancing their durability, lifespan, and overall aesthetic value. Hot-dip galvanizing prevents the corrosion of steel and adds to the sustainability of steel products, helping them remain 100% recyclable and serviceable for decades.
- **R&D and test stations:** In recent years, Skipper has made significant investments in the R&D lab, enhancing its innovation capabilities. With a robust design and R&D team, the company has successfully introduced several innovative products, positioning itself favourably in the industry.

- **Polymer products**

- UPVC pipes and fittings offer lead-free, easy-to-install, and cost-effective solutions for plumbing systems, suitable for distributing potable water. These technically superior pipes are designed to modern industrial standards, resistant to harmful chemical reactions and are light weight, reducing transportation and installation costs.
- Skipper has positioned itself as a leading manufacturer of PVC pipes and utilizes cutting-edge extrusion machines and techniques to produce robust, durable, and consistently high-quality products. Strict quality control measures ensure the use of premium ingredients and additives, meeting industry standards for durability and longevity through extensive extrusion and testing processes.
- Despite a late market entry, the company has witnessed rapid growth, emerging as the fastest-growing entity in India's polymer pipes & fittings sector. Offering a comprehensive range of pipes, including CPVC and SWR pipes, the company serves both rural agricultural and urban plumbing segments.
 - **SWR pipes & fittings:** The company offers highly sophisticated SWR drainage and sewerage systems, widely used in residential and commercial areas for efficient waste removal without blockage or damage. These systems, including SWR Lite for lighter applications, are highly resistant to chemicals and corrosion.
 - **Rigid pipes & fittings:** Skipper has an exhaustive range of PVC pressure piping systems. These pipes are available in all dimensions, ranging from Class I to Class V, and are used mainly for water supply projects in urban and rural areas. These are available in various sizes, ranging up to 400mm, and pressure classes from 2.5kg - 10kg.
 - **Borewell pipes:** The company manufactures a range of pipes for borewell applications, including casing pipes, column pipes and ribbed strainer pipes. Casing pipes are available in different ranges for varying depths, providing support to the pump, and facilitating water

extraction. UPVC column pipes with varying specifications are also produced for depths ranging from 250ft to 900ft.

Figure 45: Key highlights and achievements as of FY23-end

The company onboarded two renowned cricketers - Mahendra Singh Dhoni and Chris Gayle - as its brand ambassadors.
Engaging with more than 30,000 retail sales touch points across the country.
Added more products like HDPE pipes, CP bath fittings & accessories and water tanks.

SOURCE: INCRED RESEARCH, COMPANY REPORTS







Figure 46: Competitive advantages for PVC pipe segment

Largest	The only	Leverages technology
Manufacturer of PVC pipes in West Bengal.	Polymer pipe company in India to implement Theory of Constraints (ToC) into its operations.	Alliances with international majors to produce better quality products.
30,000+	Highest-ever	Collaborated
Retailer touchpoints and is planning to double the same over the next two years.	Revenue achieved in FY23.	With Sekisui (Japan) for CPVC resin compounds for advanced plumbing solutions.

SOURCE: INCRED RESEARCH, COMPANY REPORTS




SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 47: Key management personnel

Management	Profile	Qualification
 Mr. Amit Kiran Deb	Chairman, Independent Director	Mr. Amit Kiran Deb holds a master's degree in political science from Allahabad University. He joined the IAS in 1971 and was assigned to the West Bengal cadre. Thereafter he served the governments of West Bengal and Tripura as well as the Union government in various capacities. During his long career, he held several important positions and postings such as commissioner-cum-secretary, education & social welfare departments, Government of Tripura, joint secretary, Cabinet Secretariat and joint secretary, Department of Electronics, government of India. He represented government of India in the GATT negotiations in services in Geneva. He served as home secretary and then chief secretary to government of West Bengal before his retirement.
 Mr. Sajan Kumar Bansal	Managing Director	Mr. Sajan Kumar Bansal incorporated Skipper during the year 1981. Under his leadership, the company grew from a single-product manufacturer of steel tubes to a multi-unit, multi-product organization. The company went on to diversify its portfolio ranging from engineering to polymer products and presently is a leader in transmission and polymer-based businesses. In addition to this, Mr. Bansal is actively involved in social activities and is also the Trustee of Ekal Abhiyan Trust, a leading NGO for upliftment of tribal and remote villagers in the field of education, healthcare, and skill development of youth. He is also the founding trustee of The Heritage School, and a trustee of the Calcutta Pinjrapole Society.
 Mr. Sharan Bansal	Executive Director	Mr. Sharan Bansal graduated in Mechanical Engineering from Georgia Tech, Atlanta USA. He initiated the power transmission vertical at Skipper in 2003 and within a decade, has grown it to become one of the world's largest and India's largest T&D structure manufacturer. Under his guidance and direction, Skipper bagged 'The largest Tower Supplier' award from PGCIL, consecutively for the last three years. His vision is to make Skipper the largest T&D structure producer in the world by 2025F and is focused on increasing Skipper's global market reach. In the past, he's served on the National Executive Council of IEEMA.
 Mr. Devesh Bansal	Executive Director	Mr. Devesh Bansal is an alumnus of St. Xavier's College, Kolkata as well as De Montfort University, Leicester, UK and is currently pursuing the three-year OPM program at Harvard University. In a career of over 18 years at Skipper, Mr. Bansal has headed various verticals and initiatives of the fast-growing company. Currently, he heads the telecom, railway and poles business verticals. He is also involved in the expansion of the PVC pipe business of Skipper. Mr. Bansal is the regional committee member of Engineering Export Promotion Council (EEPC) Apart from that, he is a member of the Calcutta Angels which invests in promising start-up ventures & a trustee of Calcutta Alipore Round Table 12.
 Mr. Siddharth Bansal	Executive Director	Mr. Siddharth Bansal completed his bachelor's degree in entrepreneurship from University of Illinois at Urbana, Champaign and master's degree in international business from Aston University, Birmingham. It has been more than a decade, that Mr. Bansal has successfully been heading the procurement, operations, and marketing & sales of the polymer division at Skipper. Under his able guidance, the division is expanding its distribution & retail footprint at a rapid pace across the country. He also takes a keen interest in initiatives related to training & development of the plumber & contractor fraternity.
 Mr. Yash Pall Jain	Executive Director	Mr. Y.P. Jain completed his graduation from Punjab University. He has almost four decades of rich experience in the manufacturing domain. His expertise includes all govt. authorities, WBSEB, district administration, gram panchayats, DL & LRO, BL & LRO, etc. He also contributes to the day-to-day commercial operations of the units, internal audit and general administration. He has been associated with prestigious companies like Bhushan Power & Steel & Adhunik Group of Industries as an executive director (commercial).

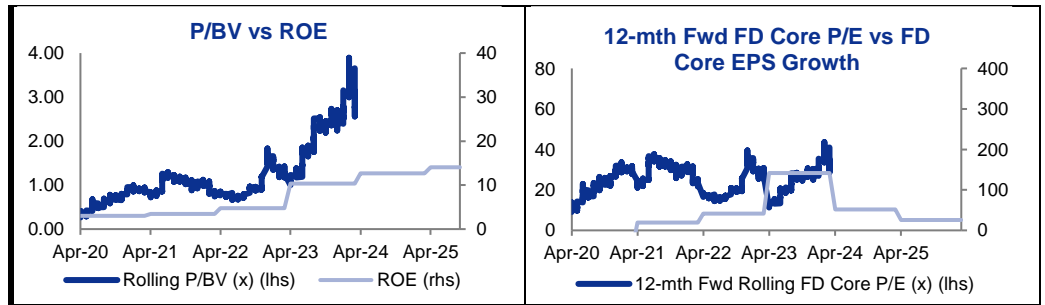
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 48: Key management personnel (cont'd)

Management	Profile	Qualification
 Mrs. Mamta Binani	Independent Director	Mrs. Mamta Binani is a B. Com and a law graduate and is a fellow member of the Institute of Company Secretaries of India. She has over 21 years of experience in corporate consultation & advisory. She has also been the First Lady Chairperson of the Eastern India chapter of The Institute of Company Secretaries of India in the year 2010. She was conferred with a certificate of doctor of excellence in the field of management at the 3rd Intelligentsia Summit in 2017 and the Bharat Nirman Award in 2010. She is the vice president of the National Company Law Tribunal, Kolkata Bar Association, and the chairperson of the Standing Committee on Corporate Law and Governance, Merchant Chamber of Commerce & Industry, Kolkata, and the co-chairperson of the Stress Resolution Committee of the Indian Chamber of Commerce.
 Mr. Ashok Bhandari	Independent Director	Mr. Ashok Bhandari holds a bachelor's degree in science and is a chartered accountant. He has served as the chief financial officer and president at Shree Cements for over 25 years. Mr. Bhandari has over 40 years of experience as a key senior executive negotiating with banks, governments, JV partners, and technology & equipment suppliers. He was also responsible for leading initiatives in developing countries for He was awarded as the best CFO in India in 2014 for leverage management amongst large corporates by Business Today. Yes Bank voted him as the second-best CFO (2013) in Asia by the Sell Side analysts for the Institutional Investor. He was invited to the best 100 CFOs of India scroll compiled by CFO - India (2010).
 Mr. Pramod Kumar Shah	Independent Director	Mr. Pramod Kumar Shah is a fellow member of the Institute of Chartered Accountants of India and has over 35 years of experience in practicing accountancy with an expertise in internal audit. He graduated with a bachelor's degree in commerce from Calcutta University. Mr. Shah has written, compiled and edited books and social and cultural magazines, and participated in T.V. talk shows that were aired on Discovery Channel, Kolkata Doordarshan, Taaza T.V. and radio talk shows broadcasted from Akashwani Kolkata. He was the past president of All India Marwari Yuva Manch.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	17,071	19,803	29,239	35,944	41,743
Gross Profit	5,100	6,384	12,492	14,917	17,323
Operating EBITDA	1,493	1,818	2,966	3,712	4,353
Depreciation And Amortisation	(485)	(468)	(525)	(601)	(652)
Operating EBIT	1,008	1,350	2,441	3,111	3,700
Financial Income/(Expense)	(935)	(1,049)	(1,380)	(1,446)	(1,591)
Pretax Income/(Loss) from Assoc.	(35)	29	57	63	69
Non-Operating Income/(Expense)	231	170	179	188	233
Profit Before Tax (pre-EI)	269	499	1,297	1,916	2,412
Exceptional Items					
Pre-tax Profit	269	499	1,297	1,916	2,412
Taxation	(17)	(144)	(353)	(483)	(608)
Exceptional Income - post-tax					
Profit After Tax	251	356	944	1,433	1,804
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	251	356	944	1,433	1,804
Recurring Net Profit	251	356	944	1,433	1,804
Fully Diluted Recurring Net Profit	251	356	944	1,433	1,804

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	1,493	1,818	2,966	3,712	4,353
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(1,484)	917	(2,694)	(755)	(979)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	208	202	179	188	233
Net Interest (Paid)/Received					
Tax Paid	(10)	(124)	(353)	(483)	(608)
Cashflow From Operations	207	2,813	98	2,662	2,999
Capex	(405)	(831)	(1,400)	(1,200)	(1,150)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(77)	(148)	(825)	(488)	(481)
Cash Flow From Investing	(482)	(979)	(2,225)	(1,688)	(1,631)
Debt Raised/(repaid)	1,253	(804)	427	469	516
Proceeds From Issue Of Shares			1,992		
Shares Repurchased					
Dividends Paid	(10)	(10)	(10)	(10)	(10)
Preferred Dividends					
Other Financing Cashflow	(933)	(1,038)	(1,380)	(1,446)	(1,591)
Cash Flow From Financing	311	(1,853)	1,028	(987)	(1,084)
Total Cash Generated	36	(19)	(1,099)	(13)	284
Free Cashflow To Equity	979	1,030	(1,700)	1,443	1,885
Free Cashflow To Firm	(274)	1,834	(2,127)	974	1,369

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Cash And Equivalents	392	311	1,102	1,342	1,631
Total Debtors	4,344	3,602	5,607	7,090	8,577
Inventories	7,861	9,132	12,817	16,249	18,870
Total Other Current Assets	1,255	1,524	2,243	2,757	3,202
Total Current Assets	13,851	14,569	21,770	27,438	32,281
Fixed Assets	6,709	7,041	7,909	8,502	8,994
Total Investments	72	101	111	122	134
Intangible Assets					
Total Other Non-Current Assets	207	515	619	588	617
Total Non-current Assets	6,988	7,657	8,638	9,211	9,745
Short-term Debt	2,868	2,349	2,584	2,842	3,127
Current Portion of Long-Term Debt					
Total Creditors	6,264	5,881	8,411	9,848	11,437
Other Current Liabilities	1,616	2,767	3,204	5,909	7,434
Total Current Liabilities	10,748	10,998	14,200	18,599	21,997
Total Long-term Debt	2,120	1,919	2,111	2,322	2,554
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	560	1,585	1,325	1,351	1,134
Total Non-current Liabilities	2,680	3,504	3,436	3,673	3,688
Total Provisions	90	51	80	98	114
Total Liabilities	13,518	14,552	17,715	22,370	25,799
Shareholders Equity	7,321	7,674	10,582	11,958	13,672
Minority Interests					
Total Equity	7,321	7,674	10,582	11,958	13,672

Key Ratios					
	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	7.9%	16.0%	47.6%	22.9%	16.1%
Operating EBITDA Growth	27.3%	21.7%	63.2%	25.1%	17.3%
Operating EBITDA Margin	8.7%	9.2%	10.1%	10.3%	10.4%
Net Cash Per Share (Rs)	(44.76)	(38.54)	(31.82)	(33.86)	(35.87)
BVPS (Rs)	71.31	74.75	93.73	105.91	121.10
Gross Interest Cover	1.08	1.29	1.77	2.15	2.33
Effective Tax Rate	6.5%	28.8%	27.2%	25.2%	25.2%
Net Dividend Payout Ratio	4.1%	2.9%	3.0%	4.0%	5.0%
Accounts Receivables Days	96.88	73.23	57.48	64.47	68.50
Inventory Days	211.55	231.09	239.19	252.27	262.46
Accounts Payables Days	195.72	165.17	155.75	158.47	159.07
ROIC (%)	6.0%	7.7%	10.4%	12.0%	12.9%
ROCE (%)	8.7%	11.1%	17.9%	19.2%	20.3%
Return On Average Assets	4.8%	5.3%	7.5%	7.5%	7.6%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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