Management Discussion and Analysis

Macro-economic scenario

Global economy review

Just about a year ago when the World Health Organization (WHO) declared COVID-19 a pandemic and various countries imposed strict lockdowns, a deep despondency and risk psychosis became pervasive.

Its impact on the economic front, too, has been significant. The slowdown across economies witnessed in 2019 exacerbated further in 2020 by the shock delivered by the pandemic.

As a result, the global GDP is believed to have contracted by ~3.3% in 2020, with all major economics moving into the negative territory. Governments and Central Banks across the globe fashioned measures in the form of additional public expenditure, foregone revenues, capital injections and facilitating additional avenues of lending adding up to USD 16 trillion or 15.3% of world GDP.

~3.3%

Global GDP contraction in 2020

Indian economy review

The Indian economy too witnessed similar stress, with the nationwide lockdown from end March 2020 bringing business activities to a standstill for the major part of April and May 2020. A calibrated policy stimulus began with direct assistance in cash and kind to the economically distressed and progressively broadened into a comprehensive package to provide support to the various sectors of the economy in 2021. It cumulated to 15.7% of GDP including liquidity and other measures taken by the Reserve Bank of India. In the first wave, the pandemic fury was at its peak in Q1 (FY21) leading to a 24.4% y-o-y, the deepest downturn amongst the G20 countries. In Q2, however, the contraction started to ease reflecting vigorous efforts to revive the economy with gradual relaxation of mobility restrictions, monetary and liquidity easing and fiscal support. By Q3 (FY21) India had pulled out from a technical recession and India's real GDP clocked a 0.4% growth in the October-December 2020 quarter on a y-o-y basis after a sharp fall in the first two quarters of FY21.

On the exchange rate front, post the initial bout of depreciation in the Indian currency in the beginning of the financial year, the currency has been relatively well supported on account of robust portfolio inflows in the economy as well as a better current account position.

Outlook

The rollout of the vaccination drive across the major economies, including India, in the last quarter of FY21 has accorded a much-needed boost to sentiments around a sustained recovery of economic activity across the globe. Almost all major central banks have pledged to continue an accommodative monetary stance to reinforce the economic green shoots. Coupled with the base-effect, economic growth is expected to bounce back strongly in FY22, on the global as well as the domestic front. The global economy is projected to grow 6.0% in FY21 and 4.9% in FY22. Indian economy is expected to expand 8.3% in FY22.

Industry overview

Indian laminates industry

The growing use of decorative laminates in the non-residential sector is a key factor fueling the growth of the decorative laminates market. Rapid growth of the construction industry coupled with the improving standard of living of consumers is the key factor driving the demand for decorative laminates. Moreover, low installation and maintenance cost of decorative laminates are also driving its market demand. However, fluctuating raw material price is the key challenge faced by decorative laminate manufacturers.

Based on type, the general purpose segment of the decorative laminates market is expected to grow at the highest CAGR during the forecast period. Decorative laminates are being rapidly adopted in various applications, as they have excellent properties such as impact resistance, ease of cleaning, hygiene, scratch resistance, and heat resistance. These properties make it suitable for direct applications on plywood, aluminum, plaster, concrete, steel, fiber reinforced plastic, and gypsum board. General purpose decorative laminates are a stiff, hard, thin, abrasion-resistant strong material that has durability and excellent aesthetic appeal.

India furniture market size, demand, opportunity and growth outlook 2021

Furniture has been a matter of aesthetics from a necessity in modern times. Furniture has its application in households as well as commercial setups. Be it a small storage compartment things to modular kitchens and workplace infrastructure, furniture has gained its importance over the course of time.

India is rapidly growing in this sector, especially after the liberalisation. There has been a significant rise in the import of furniture to cater to domestic demands in India. The retail sector for the same is constantly transforming for better management of the growing market. Along with furniture, there is also a huge surge in furniture surface market, especially the laminates.

Market size of the furniture industry

The size of the Indian furniture market spread across all the metropolitan cities is estimated to be over INR 60,000 crore. The wooden furniture industry alone covers INR 60 crore in the market. Surprisingly 85% of the wooden furniture industry covers handcrafted furniture that contributes to the luxury of people and ethnic representation of the communities in India. The laminate market alone covers a market of USD 2.8 billion along with flooring and furniture. (according to 2019 reports). Indian furniture industry provides employment to millions of people in the country, which is a clear indication of its huge market size.

INR 60,000 cr

Estimated size of the Indian furniture market in metropolitan cities

Growth trends

The increasing per capital income has led to an improvement in the quality of life, aiding the growth of the furniture market, especially the demand of household furniture. The market of furniture surfaces is rising higher as people choose better furnishing of their furniture. It is expected that the USD 2.8 billion laminate market will now expend at 6.4% CAGR between 2020-2027.

Global laminate industry outlook

The global decorative laminates market reached a value of USD 38.3 billion in 2020. Looking forward, the market to exhibit moderate growth during the next five years.

Decorative laminates refer to specially designed laminated sheets that are used as furniture surface materials, flooring, or wall paneling.

Decorative laminates are preferred over veneers, paints, and coatings on account of their durability, cost-effectiveness, long shelf-life, and improved aesthetic value. Owing to this, they are majorly used for decorating and protecting cabinets, walls, furniture, flooring, etc.

The rising consumer living standards supported by their increasing per capita expenditure on home decor is one of the key factors driving the market growth for decorative laminates. In line with this, there is a growing inclination towards aesthetically appealing designs in home interiors and corporate office spaces, which is also catalysing the product demand.

Recently the demand for ready-to-assemble (RTA) flooring, furniture and cabinets have witnessed a significant rise, owing to which the need for decorated laminates is also increasing across the globe.

Additionally, there is a rising demand for decorative laminates in hotels, hospitals, shopping malls, airports, educational institutions, and other commercial infrastructures due to the wide availability of designs, colors, textures, etc. Apart from this, the rapid utilisation of decorative interior products in gymnasiums, convention centres, indoor sports clubs, auditoriums, etc., further fuels the market growth.

Moreover, several refurbishment and remodeling activities in residential and commercial sectors of the developed regions have further propelled the demand for decorative laminates.

On the other hand, rapid urbanisation and rising infrastructural developments, across the emerging economies have led to the construction of modern housing projects, thereby encouraging the use of high-end and premium products, such as decorative laminates. The above-mentioned factors will continue to fuel the growth of the global decorative laminates market in the coming years.

Despite of the pandemic, High-Pressure Laminate (HPL) retains a certain space in the market, but owing to scarcity of high-end products there is a large scope of capturing a considerable market share in the Global "Decorative HPL Market".

The High-Pressure Laminate (HPL) market was valued at USD 6,314.5 million in 2020 and is projected to reach USD 8,285.6 million by 2027, at a CAGR of 4.0% during 2021-2027.

However COVID-19 has affected global economy in the following ways:

By creating supply chain and market disruptions

By adversely affecting financial markets and firms

By directly affecting production and demand

Demand drivers

Lending an elegant touch to all products, laminates are available in numerous design patterns, colours and textures.

The demand for these products is driven by
- Increase in population accompanied by the expansion in economy leading to increase in per capita income: Though the unprecedented COVID-19 pandemic that has nearly stalled all economic activities in 2020, but India is expected to bounce back in 2021 with a robust 6% growth rate
- An increase in disposable income: As per the National Bureau of Statistics, India's annual disposable income was over 1,600 billion in 2015. Rise in disposable income is likely to positively influence customers to spend on home decor, furniture, and furnishings
- Rapid urbanisation: Population and economic growth has fostered urbanisation in India and the number of urban towns and cities has drastically increased. This growth is expected to continue in the years to come and India has to step up its game in order to catch up with changing business dynamics
- Increasing residential construction: Industry is thriving on the government's attempt for low cost housing and infrastructure development
- Increase in applications/advancement in technology:
  - Post formable laminates - are used in kitchens and offices where a neater look is required
  - Anti-bacterial laminates- are used in places like hospitals and restaurants where hygiene is extremely important
  - Cubicles – are used as bathroom cubicles and divider panels
  - Digital laminates – are used largely in decoration of walls etc. in which patterns can be created according to the customer's choice
  - Metallic laminates - real metal foils are used such as copper, steel or aluminum to provide a metallic finish as per customer requirements.
- Low installation and maintenance cost–scratch resistant, easy to clean, affordable,

Challenges faced by the Company and plan of action adopted to overcome the challenges

Challenges: The Company deals in a very competitive market as laminate industry is fragmented, there may be 200+ manufacturers in India with manufacturing capacity of about 39 million sheets per month. The industry is growing more in volumes and less in values.

The main competitors are the companies forming part of the unorganised sector and companies that are on the verge of transiting to the organised sector from an unorganised unit, where pricing plays a key role.

Plan of action: The Company supports the idea of innovation and believes in constant upgradation and enhancement and therefore to overcome the challenges posed by various internal and external threats, the Company always endeavors to focus on production of special category of laminate such as laminates with anti-bacterial, fire retardant properties etc., and promote its institutional sales along-with retail sales through distributors/dealers.

Acrylic solid surface industry

Acrylic solid surface is an ideal choice for new or renovation of interior projects as it is built to last a lifetime as it is the most durable solid surface material on the market today. It is a hard, non-porous material that is non-toxic, non-carcinogenic. The key benefits are that it is stain resistant, durable and easy to maintain, patterns and designs, antimicrobial and abundance of colors and visual textures ranging from solid colors to marbleised, sparkling, or granite effect.

The acrylic sheets are adoring to residential or commercial spaces. They are designed to add newness to interior and exterior appeal to modern-age infrastructure.

It is commonly suitable for use in a fancy fabrication work for instance thermoforming. It is issued for seamless countertops, tub/shower walls, vanity tops, kitchen sinks, laboratory benchtops, and vanity basins, in various industries including healthcare, lodging, banks, boutiques, and restaurants.

Acrylic solid surface material is preferred where water and food will get in contact, where demand for hygiene is really high.

Global acrylic solid surface market

The acrylic solid surface market is driven by an increase in demand from residential and commercial building, followed by a rise in disposable income of the individuals, growth in industrialisation and urbanisation and increase in demand coupled with the significant innovation in technology.

Global acrylic solid surface market size is projected to reach USD 1,986.3 million by 2026, from USD 1,470.4 million in 2020, at a CAGR of 5.1% during 2020-2026.

Growth drivers

Remarkable popularity garnered by acrylic solid surfaces for both interior and exterior applications is attributable to:

- Increasing construction of residential buildings and houses, coupled with growing number of residential renovation works across several countries is one of the vital driving factors for the growth of acrylic solid surface in global market
- Increase in the number of commercial establishments including hotels, restaurants, malls, retail stores and another factors, is expected to boost the market as they can be extensively used like a countertop material
- Its anti-bacterial properties makes it highly suitable for healthcare settings like hospitals, doctors' offices, hospices and retirement homes.

Real estate sector

Real estate sector is one of the most globally recognised sectors. It comprises of four sub-sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

Global outlook

V-shaped economic recovery
2021 will likely mark the beginning of the next new real estate market cycle as the pick-up in economic growth begins to flow more broadly through to real estate fundamentals, which will continue to recover at different speeds. 2021 will hopefully and likely be the year of recovery vs. recession, vaccine vs. virus and reflection vs. deflation.

Global economy will enter the next phase of the V. According to Morgan Stanley Research, global GDP will return to its pre-COVID path (i.e. what it would have been in absence of the COVID-19 shock) by Q4 FY21. In the near term, growth will continue to be constrained by lockdown measures, predominately in the U.S. and Europe, but will likely rebound from Q2 onwards as vaccines are rolled out to the broader population which will help drive a more complete re-opening of economies around the world.

2021 global growth of 6.4% is expected (following a contraction of 3.4% in 2020) to be driven by a global synchronous recovery.

India

ADVANTAGE INDIA

Robust demand

- According to Savills India, real estate demand for data centres is expected to increase by 15-18 million sq. ft. by 2025.
- The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs.

Attractive opportunities

- As per ICRA estimates, Indian firms are expected to raise >INR 3.5 trillion (USD 48 billion) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth USD 29 billion to date.
- Co-living market size across India's top 30 cities is expected to grow more than double to reach USD 13.92 billion by 2025 from the current size of USD 6.67 billion.

Policy support

- Driven by increasing transparency and returns, there's a surge in private investment in the sector.
- Indian real estate attracted USD 5 billion institutional investments in 2020, equivalent to 93% of transactions recorded in the previous year.
- The real estate segment attracted private equity investments worth INR 23,946 crore (USD 3,241 million) across 19 deals in 04 FY21

Increasing investments

- Driven by increasing transparency and returns, there's a surge in private investment in the sector.
- Indian real estate attracted USD 5 billion institutional investments in 2020, equivalent to 93% of transactions recorded in the previous year.

Government of India along with the governments of respective States has taken several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies.

By 2040, real estate market will grow to INR 65,000 crore (USD 9.30 billion) from INR 12,000 crore (USD 1.72 billion) in 2019. Real estate sector in India is expected to reach a market size of USD 1 trillion by 2030 from USD 120 billion in 2017 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

Road ahead

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will allow all kind of investors to invest in the Indian real estate market. It would create an opportunity worth INR 1.25 trillion (USD 19.65 billion) in the Indian market in the coming years. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022,

under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space.

The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

~10 million units
Current urban housing shortage in India

The growing flow of FDI in Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards. Indian real estate is expected to attract a substantial amount of FDI in the next two years with USD 8 billion capital infusion by FY22.

Key challenges faced by the Company

General

1st challenge: The application of the product is divided between commercial and residential applications. Cost of the product is a major limiting factor amongst other factors such as global economic situation.

As in the previous year, global economy remained sluggish and affected the real estate sector, domestic real estate sector also passed through many ups and downs due to NBFC crisis resulting into liquidity squeeze, developers' defaults and bankruptcies.

Ray of hope: The rise in demand of offices and residential spaces will indirectly support to push demand of product.

2nd challenge: In addition to the above, being the first to manufacture solid acrylic surfaces in India, it became difficult to launch a new product as real estate sector was already stressed and still continues to remain so. Customers' resistance in testing a new product or replacing the existing supplier is also a challenge in itself.

Steps taken to overcome the challenge: The revenue is increasing from period to period. It is established that marketing fundamental is to understand the product and audience before creating plans. The Company has hired marketing personnel who understand this product and its market strategy.

Quality

Product being new in the market, quality remains a big concern due to its novelty and unfamiliarity.

Steps to overcome the challenge: The product is manufactured in the Company's state-of-the-art facility with highest standards so as to warrant maximum resource utilisation and minimal wastage. The Company has obtained quality accreditation from recognised agencies. Samples have been sent to prospective customers and no complaints have been reported on the quality.

Technical resources

As this is the first line that has been set up in the country to manufacture acrylic solid surfaces, finding and hiring technical resources for its manufacture was another taxing task.

To overcome the technical hindrances, the Company resorted to technical advices from the project supplier and hired a team of foreign technicians having immense experience of advising the established players.

The manufactured products were accepted in the domestic and international market though the volume was not significant. However, taking into consideration the foreseeable advancement of the real estate sector and adoption of extensive marketing strategies, demand of the product is expected to escalate and hence generating more revenue.

Opportunities

- The Company seeks to create market of the newly established product line by exploiting its existing network, domestic as well as overseas.
- The product would promote Prime Minister Modi's initiative of **'Made in India's** in-house manufacturing of the product will lead to import substitution and reduce dependence on imports, which in turn would save foreign currency outflow and contribute to national economy.
- The Company aims to establish a new domestic market of the solid surfaces as the given product has a lot of potential. Therefore, the Company is now focused on promoting the solid surfaces amongst its customers as would also benefit the customers by saving them from bearing importation costs/duties and maintaining bulk inventories.

Plywood

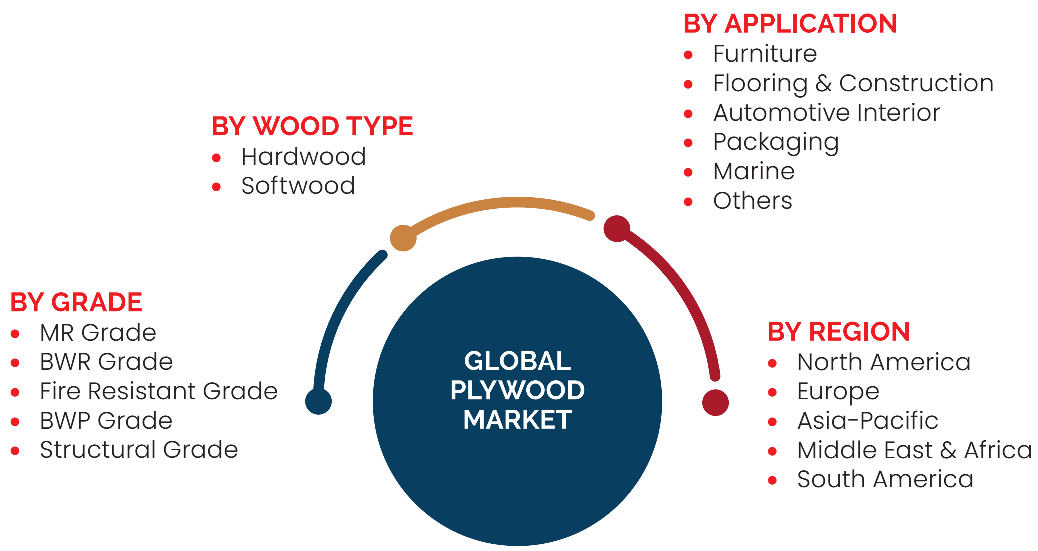
The Company has announced to extending its product foray by entering into the plywood segment. The greenfield project will strengthen the Company's positioning in interior and exterior solutions.

Management is evaluating various aspects before the final takeoff. The Company has envisaged cost outlay of approx. INR 60 crore on this project.

Plywood market size is anticipated to register a CAGR of 6.1% between 2020 and 2027 and reach an approximate value of USD 108.1 billion in 2027.

Increasing demand for easy-to-install and ready-made furniture are fueling the growth of the plywood market. In urban areas, consumers prefer to buy durable and lightweight furniture, which further fuels the market's growth. Environmental preservation bodies also extend their support for timberland development, which subsequently serves environmental and economic purposes.

Plywood has gained popularity over the years due to its good strength, flexibility, workability, and re-usability. There are numerous factors that are propelling the plywood market share. Some of these entail the increasing need for ready-made and easy-to-install furniture, growing need for chequered plywood for automotive flooring, people's increasing disposable income, consumer's changing inclination, expanding construction sector, increasing construction activities both for commercial and residential purposes, increasing preference for well-designed walls, home ceilings, and floors, and robust population growth. The additional factors adding market growth include the growing preference for branded plywood, increasing use in structural design companies, and in the marine industry.



Risk and mitigation

Market demand

Economic slowdown and subdued infrastructural development may lead to low demand in the country. Nevertheless, Government's push to infrastructure and housing will give a boost to product's consumption. Further, GDP is expected to take a V-shaped recovery in FY22 after an expected decline in FY21, resulting from the probable impact of infamous COVID-19.

Competition

As laminate industry in India is a myriad aggregation of small and large players, organised and unorganised sector, competition from small and unorganised players may affect business.

However, the Company's philosophy of upgrading itself as per the changing business dynamics and its ability to modify would help the Company to have an edge over the other market players.

Inflation and cost of production

The Company remains exposed to risks relating to inflation and volatility of prices especially that of raw material particularly crude and coal, hence, the change in their prices can significantly impact the production costs.

To de-risk, the Company has established specific exhaustive policies viz. strategic sourcing, procurement of raw materials and stores at economical cost without compromising on its quality.

Currency risk

A significant part of the raw materials and capital equipment are imported by the Company. Hence, adverse movement in the local currency vis-à-vis other currency can have an impact on the Company's financials.

The Company in order to overcome such uncertainties, closely monitors the exposure while hedging. However, unhedged foreign currency exposure has a natural hedge thereby eliminating majority of foreign exchange risk.

Interest rate risk

The Company uses borrowings to fund its expansion plans and working capital requirements which is exposed to interest rate risk. The risk is mitigated by efficient financial planning with emphasis on efficient working capital management.

Statutory compliance risk

In the past few years, the country has seen wide-ranging changes to various laws and regulations that the Company needs to adhere to. Many of these laws are new and have not been subjected to judicial scrutiny and interpretations.

The Company takes steps to adhere to all laws in its true spirit. Teams within the Company monitor changes to laws and regulations and proactively take steps to change underlying processes so as to ensure compliance.

Information technology risk

Various IT applications used by the Company are exposed to the inherent risks posed by internet. Also, with the new and emerging cyber-attacks and hacking threats, the information security risk has increased. The Company uses back up procedures and stores information at two different locations. Systems are upgraded regularly with the latest security standards.

Pandemic risk

The whole world faced the wrath of COVID-19 in the later part of the year, as a consequence of which the whole system got disrupted. The Company too was not immune to the havoc caused by the infamous pandemic.

To deal with this never faced situation, the Company promptly made suitable arrangements to facilitate its employees with a proper setup, enabling them to work from home. A help desk was setup to provide guidance, support and counselling to its employees.

Though both the plants of the Company was absolutely closed pursuant to Central Government's lockdown orders, the Company allowed its factory workers to stay at the worker's quarters in factories and also made necessary food arrangements for its workers.

However, business operations at one of its plants resumed in late April after taking all the necessary safety measures as directed by the Government.

The other plant still remains closed as the area is not sufficient to practice social distancing therefore, as a socially responsible citizen, the Company has decided to not resume its operations at the other plant till the situation gets better.

Opportunities

Domestic front

There is a shift in consumer's behavior as consumers seem to be opting for quality products offered by the organised players. Also India's move to boycott Chinese products post border standoff with China will benefit the Indian manufactures and will encourage them to become self-reliant, thus enabling them to prospect business opportunities that were left unexplored.

Global front

In the light of the controversies questioning China of obfuscation and failure on its part to alert the world of the true scale of the COVID-19 outbreak, European Union, USA and the major economies of the world have unified to boycott Chinese products, thereby paving way for India and other nations to strengthen its manufacturing capacities and thus creating enormous scope of industrial growth.

Internal control systems

The Company has established internal control systems in line with its size, operations and complexity. These systems cover all the key areas of the business that are verified and tested at regular intervals by certified auditors as well as internal auditors. The internal control system ensures measurability and verifiability, reliability of accounting management efficiency and management information. The system also ensures compliance with all applicable laws and regulations, protection of the Company's assets and identification of critical risk areas to address them effectively.

Performance at a glance of last 10 years – Standalone

Performance for the year	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Revenue	104.2	140.2	184.9	213.8	249.4	294.3	338.0	460.6	462.2	475.8
% Growth	*25%*	*35%*	*32%*	*16%*	*17%*	*18%*	*15%*	*36%*	*0%*	*3%*
EBITDA	10.2	12.7	20.5	22.4	30.1	46.8	51.6	79.9	79.6	95.3
EBITDA Margin	*10%*	*9%*	*11%*	*10%*	*12%*	*16%*	*15%*	*17%*	*17%*	*20%*
Other income	0.4	1.2	2.0	0.7	0.7	0.1	0.0	1.6	1.0	4.8
Depreciation & Amortisation	2.8	3.1	3.3	4.2	4.7	5.7	10.8	18.2	21.0	23.2
EBIT	7.7	10.8	19.2	18.8	26.2	41.2	40.8	63.3	59.6	77.0
EBIT Margin	*7%*	*8%*	*10%*	*9%*	*10%*	*14%*	*12%*	*14%*	*13%*	*16%*
Finance Cost	3.6	4.7	6.7	4.9	6.5	10.0	7.7	11.4	10.9	6.0
PBT	4.2	6.2	12.5	13.9	19.7	31.2	33.1	51.9	48.7	71.0
PBT Margin	*4%*	*4%*	*7%*	*6%*	*8%*	*11%*	*10%*	*11%*	*11%*	*15%*
Extra-ordinary items- Expense									15.2	
PAT- Reported	2.8	4.1	9.4	9.4	12.2	19.6	20.1	38.8	18.9	55.3
PAT Margin - Reported	*3%*	*3%*	*5%*	*4%*	*5%*	*7%*	*6%*	*8%*	*4%*	*12%*
PAT- Adjusted	2.8	4.1	9.4	9.4	12.2	19.6	20.1	38.8	34.1	55.3
PAT Margin – adjusted	*3%*	*3%*	*5%*	*4%*	*5%*	*7%*	*6%*	*8%*	*7%*	*12%*
Interest coverage Ratio	2.2	2.3	2.9	3.8	4.0	4.1	5.3	5.5	5.5	12.8

The financial results summary for the FY17 are prepared in accordance with IND-AS and financial results for the other financial years are prepared as per the prevailing GAAP.

The Company has received approval from the NCLT, Chandigarh Bench on February 11th, 2020 in respect of a Scheme of Amalgamation with Golden Chem-Tech Limited (Transferor company). Appointed date as per the Scheme is October 1st, 2017, and accordingly the figures for year 2018 and 2019 have been restated.

In year 2020, the Company has sold IT property located at Panchkula Technology Park, Panchkula, Haryana at value of INR 34 crore. The book value of the property was INR 49 crore. The loss on sale of property is considered under extra-ordinary items as these not related with the business of the Company.

PAT Margin Adjusted denotes the value after ignoring the effect of loss on sale of the mentioned property.

Financial Position	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Share Capital	7.3	7.3	7.3	7.3	7.3	7.3	8.5	8.5	8.5	8.5
Other Equity	16.4	20.5	27.3	36.7	49.0	69.2	138.1	177.0	195.8	251.2
Shareholder's Fund	**23.7**	**27.8**	**34.7**	**44.0**	**56.3**	**76.5**	**146.6**	**185.5**	**204.3**	**259.7**
Loan funds	44.2	66.2	73.3	81.7	117.0	184.0	162.0	189.0	118.5	59.2
Trade Payables	8.0	7.9	14.3	13.1	21.0	18.4	34.2	27.4	35.5	51.5
Other Liabilities	7.1	11.5	9.0	10.6	16.7	24.2	31.8	36.2	37.1	37.0
Total Liabilities	**83.0**	**113.5**	**131.3**	**149.4**	**211.0**	**303.1**	**374.6**	**438.1**	**395.3**	**407.4**
Gross Block	51.2	53.9	77.0	79.2	91.3	120.1	223.5	252.0	283.1	296.6
Net Block	30.9	30.7	50.7	48.7	56.3	79.7	173.3	184.5	195.0	187.8
CWIP	2.9	18.4	20.4	30.7	55.4	108.7	0.9	12.7	11.2	0.0
Property held for sale							49.0	49.0		
Inventory	25.0	31.1	24.6	25.5	43.2	53.9	60.9	66.2	66.7	71.9
Debtors	15.4	20.5	26.3	33.6	40.2	46.9	57.2	78.9	87.4	98.8
Cash & Bank Balances	1.0	1.2	3.6	1.9	1.5	1.4	4.3	2.2	6.1	15.1
Other Assets	7.9	11.5	5.7	9.1	14.4	12.6	28.9	44.6	28.9	33.7
Total Assets	**83.0**	**113.5**	**131.3**	**149.4**	**211.0**	**303.1**	**374.6**	**438.1**	**395.3**	**407.4**

Return Ratios	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
ROE	12.7%	15.8%	29.9%	23.8%	24.2%	29.6%	18.0%	23.4%	17.5%	23.8%
ROCE-Pre Tax	12.8%	13.5%	19.5%	16.5%	17.7%	19.1%	14.5%	18.7%	17.3%	24.8%
ROCE-Post Tax	8.5%	8.8%	14.2%	10.9%	10.8%	12.0%	8.7%	13.9%	12.0%	18.0%
Gearing Ratio	1.5	1.7	1.9	1.9	2.0	2.2	1.8	1.6	1.5	1.2
Net Debt/ Equity	1.8	2.3	2.0	1.8	2.1	2.4	1.1	1.0	0.5	0.2
FA Turnover Ratio	2.2	2.7	2.8	2.7	2.9	2.8	2.0	1.9	1.7	1.6
Inventory Days	72	73	55	43	50	60	62	50	53	53
Debtor Days	48	47	46	51	54	54	56	54	66	71
Creditor Days	30	21	22	23	25	24	28	24	25	33
Cash Conversion Cycle	89	99	79	70	79	90	90	80	93	91

Return on Capital Employed: Return on Capital Employed (RoCE) is a financial ratio that measures a company's profitability and the efficiency with which its capital is used. In other words, the ratio measures how well a company is generating profits from its capital. It is calculated by dividing profit before exceptional items and tax by average capital employed during the year.

Debtors Turnover: The above ratio is used to quantify a company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivables.

Inventory Turnover: Inventory Turnover is the number of times a company sells and replaces its inventory during a period. It is calculated by dividing turnover by average inventory.

Interest Coverage Ratio: The Interest Coverage Ratio measures how many times a company can cover its current interest payment with its available earnings. It is calculated by dividing PBIT by finance cost.

Debt Equity Ratio: The ratio is used to evaluate a company's financial leverage. It is a measure of the degree to which a company is financing its operations through debt versus wholly-owned funds. It is calculated by dividing a company's total liabilities by its shareholder's equity.

EBITDA Margin (%): Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a company produces from its operations. It is calculated by dividing the EBIT by turnover.

Net Profit Margin (%): The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by turnover.

CAGR	5 years	10 years
Revenue	10%	16%
EBITDA	15%	25%
EBIT	13%	26%
PAT	23%	35%