FIN2RESEARCH
Investment Advisor Pvt. Ltd.

INDIA'S FUTURE FOUNDATION IS BEING BUILT BY THE PIPE INDUSTRY.

Stock list to Gain from the Growing Pipe Industry **Date : 16/07/2024**





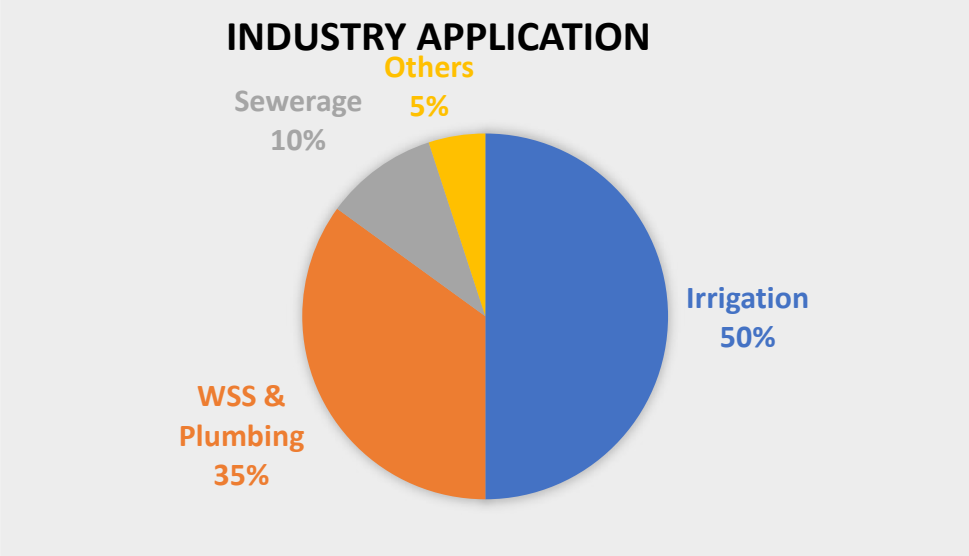

Supreme Industries -₹6962.6
Astral Pipes - ₹2615
Ratnamani - ₹4295
Apollo Pipes - ₹744
Finolex - ₹391
KSB Ltd - ₹5942

Trends and Growth in the Plastic and Metal Pipes Industry

The pipe sector is a critical component of the infrastructure and construction industry, essential for applications including water supply, drainage, sewerage, irrigation, plumbing, oil and gas, fire protection, and cable protection. Demand for these goods and services is expected to be particularly strong in developing nations such as India, where a significant portion of the population resides in rural areas, contributing to nearly 37% of the country's GDP.

Estimates indicate that over 60% of India's population lives in rural areas, with more than 10% living below the poverty line. For sustainable growth and poverty alleviation, the government must invest in adequate infrastructure. While the development of roadways and transportation systems to connect major hubs is crucial, these efforts will be ineffective without addressing basic necessities such as durable housing, effective sewage systems, and access to clean water.

Another significant user of pipes is the agriculture sector in India. Due to global warming, weather patterns have become increasingly erratic, and depleting groundwater levels have necessitated the search for alternative sources of irrigation, such as artificial dams and canals. However, connecting these water bodies to agricultural areas requires efficient piping infrastructure.
Therefore, the agriculture sector's reliance on robust piping solutions is essential for ensuring a stable water supply, which is critical for sustaining crop production to contain food inflation and support the livelihood of rural communities.



- According to industry reports, per capita consumption of pipes in India is estimated to be around 11 kg per annum, which is much lower than the global average of 17 kg per annum. This indicates a huge potential for growth in the pipe sector in India driven by the rising population, urbanization, income levels, and infrastructure development in the country.
- The polyvinyl chloride (PVC) demand in India stood at 3.7 Million Ton Per Annum (MTPA) in 2023 and is expected to reach 6 MTPA by 2031, growing at a CAGR of 6% between 2022 and 2030.

APPLICATIONS

- **Agriculture and Irrigation:** Water is supplied to crops and fields via irrigation and agriculture pipes. They are also employed in drip irrigation systems, which enhance crop productivity while conserving water. PVC, HDPE, PE, and metal are among the materials used to make irrigation and agriculture pipes. About 50–65% of India's total pipe consumption is accounted for by the irrigation and agriculture sector.
- **Pipework:** Water supply and distribution in residential and commercial buildings are handled by plumbing pipes. They are also utilized in kitchens, baths, and other spaces for hot and cold water plumbing systems. PVC, CPVC, PP, and metal are among the materials used to make plumbing pipes. In India, the plumbing industry makes up roughly 35–40% of all pipe use.
- **Sewerage and Drainage:** Wastewater from buildings and other sources is collected and disposed of via sewerage and drainage systems. They are also utilized in rainwater harvesting and stormwater management systems. PVC, HDPE, PP, and metal are among the materials used to make drainage and sewer pipes. In India, the sewerage and drainage sector makes up between 10% and 15% of all pipe use.
- **Industrial:** In a variety of industries, including power generation, petrochemicals, fertilizers, pharmaceuticals, and others, industrial pipes are used to transport fluids including oil, gas, chemicals, steam, and others. They make up roughly 5% of India's total pipe consumption. Metal, CPVC, PP, and other materials are used to make industrial pipes.

Demand for pipes in India is driven by various factors such as:

Government Initiatives: In order to enhance the nation's housing, urban infrastructure, sanitation, and water supply, the government has started a number of programs and projects. These initiatives include the Jal Jeevan Mission, which seeks to provide piped water supply to every rural household by 2024; the Swachh Bharat Mission, which aims to achieve universal sanitation coverage; the Pradhan Mantri Awas Yojana, which aims to provide affordable housing to everyone; and others. The Smart Cities Mission seeks to develop 100 smart cities with modern amenities. The country's need for pipelines is predicted to skyrocket as a result of these activities.

Water Conservation and Management: The increasing scarcity of water and the need for water conservation and management have led to the adoption of efficient and sustainable piping solutions in the country. In the upcoming years, it is anticipated that the use of pipes for drip irrigation systems, rainwater harvesting systems, wastewater treatment and reuse systems, and leak monitoring and prevention systems would expand.

Consolidating PVC Pipe Industry: Industry consolidation in the PVC pipe segment offers a significant opportunity for branded players. Large organized companies are benefiting from reduced competition, while regional and unorganized manufacturers struggle with post-COVID challenges like increased working capital needs and sourcing issues. As a result, large players are expected to capture a substantial share of the demand, emerging as the primary beneficiaries.

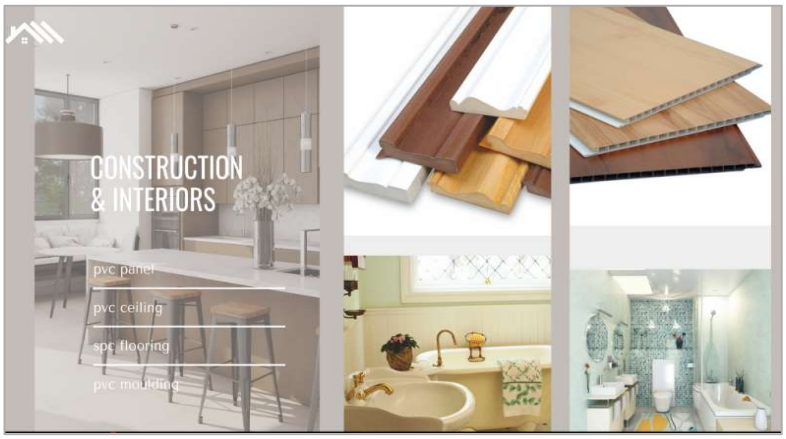
Quality:Customers and end users are increasingly discerning about pipe quality, demanding better functionality, longevity, and reliability. In response, pipe manufacturers are investing heavily in research and development, innovation, and advanced technologies. This focus on enhancing product offerings is expected to elevate the quality and value proposition of pipes in the market. New product introductions, such as lead-free pipes, low-noise pipes, composite pipes, and fire-resistant pipes, are anticipated to meet these evolving consumer expectations.

Industry Dynamics:
Organized brands are gaining market share. Factors driving this are-
Pan-India Presence: Due to high transportation costs for pipes, proximity to raw materials and markets is crucial. This reduces costs, improves working capital and inventory management, and increases dealer returns. Local production can cut transportation costs from 4-6% to 2-3%. Leading players are expanding production and opening multiple plants nationwide, while regional and unorganized firms, lacking this strategy, have lost market share.

Distribution network: To gain a competitive edge and access to hitherto unexplored markets, organized businesses are proactively growing their distribution networks by adding more dealers and retailers in areas that have historically been dominated by regional and unorganized players.

Margin Differentiation Due to Specialized Nature: Due to the numerous participants at different stages of the value chain and the intense fragmentation and competition in the Indian pipe market, distinct margin profiles result:

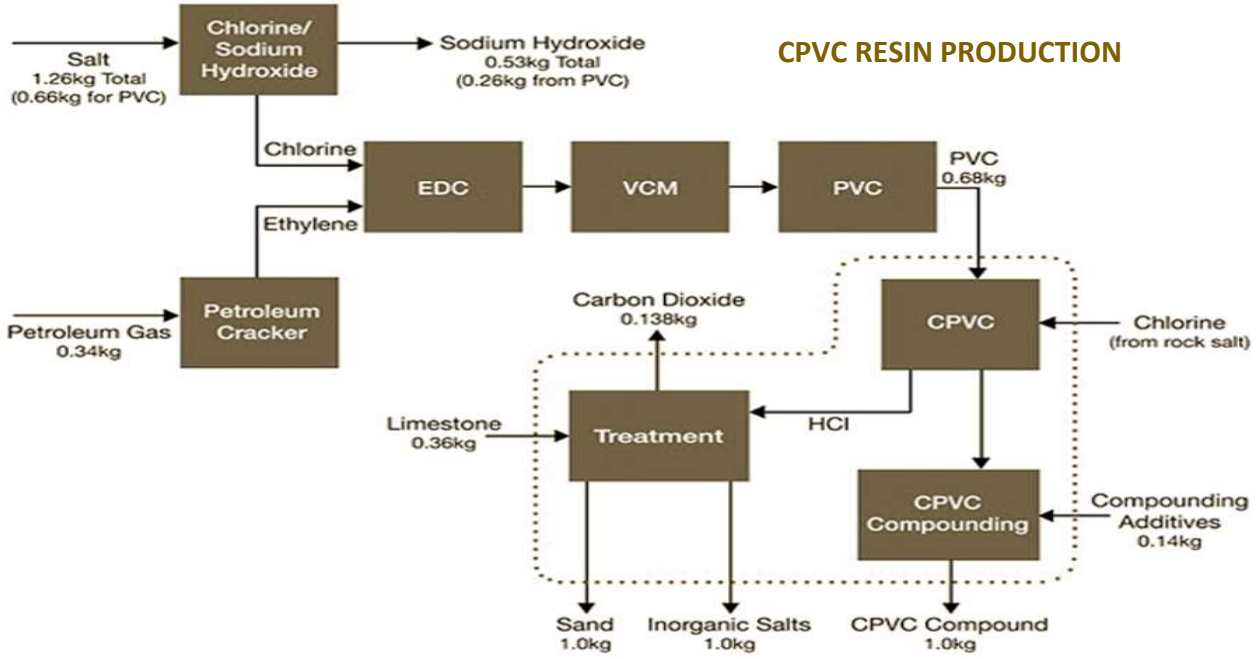
- **Fittings:** The highest margins (~20%) are attributable to the high volume of SKUs and specialist expertise.
  Due to its specialized use for hot and cold water applications, consumer positioning, and generally controlled and imported raw material procurement, which reduces the existence of unorganized companies, **CPVC** has the second greatest margins (~16–18%).
- Margin in **PVC plumbing** is approximately 12–13%.
- Margin on **sewerage/DWC**: around 9–12%.
- Lowest margins (~6–9%) in **PVC agriculture** because of its **commoditized character, farmers' price sensitivity**, and the large number of unorganized participants.



The pipe sector is a vital part of the infrastructure and construction industry, as pipes are used for various applications such as water supply, drainage, sewerage, irrigation, plumbing, oil and gas, fire protection, cable protection, and more. Plastic pipes are made of different types of polymers. The four key types of polymer are unplasticized polyvinyl chloride (UPVC), which represents 65% of industry demand, chlorinated polyvinyl chloride (CPVC) – 15%, HDPE –15%, and polypropylene (PPR) – 4%. Composite pipes, which have a mix of metal and plastic layers, are also used for similar applications. The choice of material depends on the properties, performance, cost and durability of the pipes for different end-use segments. The four key types of polymer are unplasticized polyvinyl chloride (UPVC), which represents 65% of industry demand, chlorinated polyvinyl chloride (CPVC) – 15%, HDPE –15%, and polypropylene (PPR) – 4%. Composite pipes, which have a mix of metal and plastic layers, are also used for similar applications.

- **Polyvinyl Chloride (PVC)** pipes begin with vinyl chloride monomer (VCM), which undergoes polymerization to form PVC resin. The resin is then compounded with additives such as plasticizers, stabilizers, and pigments. This compounded material is extruded through a die to shape the pipes, followed by cooling and sizing processes.
- **Chlorinated Polyvinyl Chloride (CPVC)** pipes start with PVC resin, which is chlorinated to enhance its heat resistance and mechanical properties. Chlorination involves exposing PVC resin to chlorine gas under controlled conditions. The chlorinated resin is then compounded with additives and extruded into pipes.
- **Unplasticized Polyvinyl Chloride (UPVC)** pipes are made from rigid PVC resin without plasticizers. The resin is blended with impact modifiers and stabilizers, then extruded through a die to form pipes. Cooling follows extrusion to solidify the pipes.
- **High-Density Polyethylene (HDPE)** pipes are produced from ethylene molecules that undergo polymerization to create HDPE resin. The resin is melted and extruded through a die to shape the pipes, followed by cooling using water or air to solidify the pipes.
- **Low-Density Polyethylene (LDPE)** pipes are manufactured by polymerizing ethylene gas to produce LDPE resin. The resin is extruded into pipes, cooled, and processed further to ensure uniform dimensions and smooth surfaces.
- **Polypropylene Random Copolymer (PPR)** pipes are made through the random copolymerization of propylene monomers to form PPR resin. The resin is extruded and molded into pipes, then cooled and inspected for quality before packaging.

PRODUCTION PROCESS



- The steel pipe segment includes various types, each with distinct construction methods and characteristics. **Carbon steel pipes** are divided into two main categories: **ERW (Electric Resistance Welded)** and **SAW (Submerged Arc Welded)**. **ERW pipes** include hollow sections, black steel, GI (Galvanized Iron) pipes, and GP (Galvanized Pipes). ERW pipes are made by welding the longitudinal edges of steel sheets and are known for their durability and strength. **SAW pipes** are further classified into **LSAW (Longitudinal Submerged Arc Welded)** and **HSAW (Helical Submerged Arc Welded)**. LSAW pipes are created by welding along the length of rolled steel plates, ideal for high-pressure applications due to their high weld strength. HSAW pipes are produced by welding spirally, providing excellent flexibility and strength, often used in oil and gas transmission.

- **Stainless steel pipes** come in seamless and welded varieties. **Seamless stainless steel pipes** are made from a solid billet of stainless steel, which is heated and then pierced to create a hollow tube, offering superior strength and resistance to corrosion. **Welded stainless steel pipes** are constructed by welding the edges of stainless steel sheets or coils, providing good corrosion resistance and strength, suitable for various industrial applications where precision and high performance are required.

INDIAN PLASTIC INDUSTRY

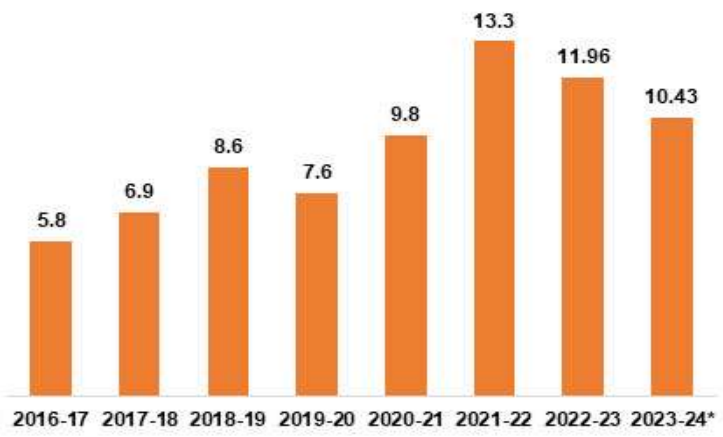
- The inception of the Indian plastic industry dates back to 1957, when the manufacture of polystyrene began, and it now plays a noteworthy role in the country's economy. The industry has grown significantly over time and is now widely present throughout the nation. It includes more than 2,500 exporters and more than 4 million workers in 30,000 processing facilities, 85–90% of which are small and medium-sized businesses.

- The plastic manufacturing industry in India manufactures a wide variety of goods, such as pipes, plastic films, housewares, medical supplies, floor coverings, fishnets, cordage, and raw materials. Plastic raw materials, films, sheets, woven bags, textiles, and tarpaulin are among the main exports from this industry.

- Within the next four to five years, the Government of India aims to increase the economic activity of the plastic sector from its current level of Rs. 3 lakh crore (US$ 37.8 billion) to Rs. 10 lakh crore (US$ 126 billion).

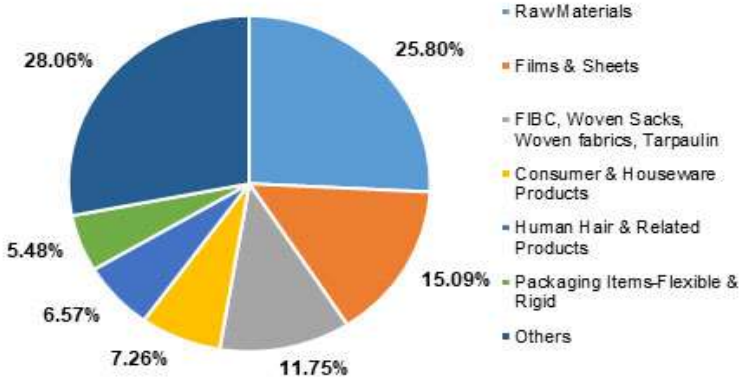
- In the nation, the Department of Chemicals and Petrochemicals has approved ten Plastic Parks. Of these, the states of Madhya Pradesh (two parks), Assam (one park), Tamil Nadu (one park), Odisha (one park), and Jharkhand (one park) have given their final approval for six plastic parks. The goal of these parks is to achieve environmentally sustainable growth while also increasing jobs.

India's plastics and linoleum exports (US$ billion)



Note: *Until February 2024
Source: DGCI&S, PLEXCONCIL

India's product-wise share of plastics exports (2023-24*)



Note: *Until February 2024
Source: The Plastics Export Promotion Council of India (PLEXCONCIL)

- In 2022–2023 the value of India's plastic industry's total exports to the USA, its biggest market, was US$ 2.31 billion, down 4.71% year over year. China ranked as India's second-largest importer of plastic products, with a total value of US$ 690.95 million. In 2022–2023 the USA and China accounted for 19.37% and 5.78%, respectively, of the global plastic exports. Recently, India negotiated free trade agreements with Australia and the United Arab Emirates, opening up new markets for the plastics sector.

- The Indian government contributes up to 50% of the project costs, with a cap of Rs. 40 crore (US$ 5 million) per project, towards the plastic park initiatives.

- India's plastic sector will also grow as a result of government initiatives like "Digital India", "Make in India", and "Skill India". For example, the government intends to lessen reliance on imports of goods from other nations under the "Digital India" program, which will help regional producers of plastic parts.

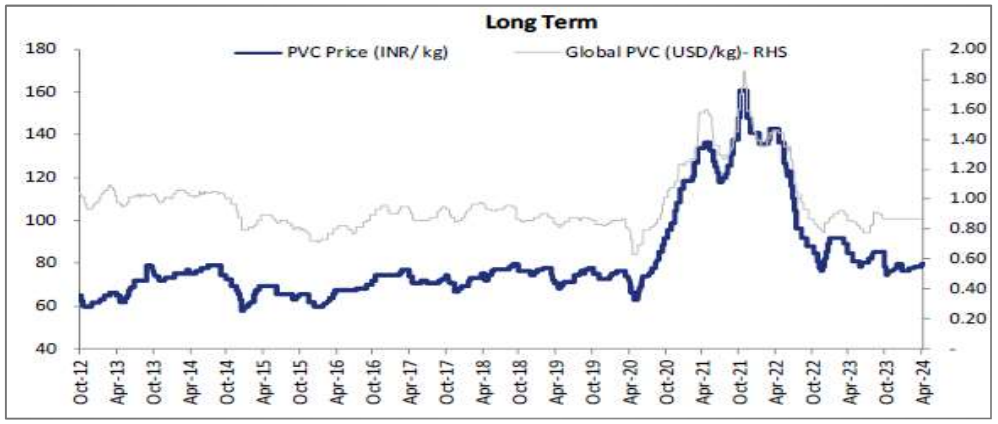
- In order to advance the nation's petrochemical research environment and advance the nation's current petrochemical technology, the government has also initiated a program for the construction of Centers of Excellence (CoEs). This will support the nation's efforts to promote and create new uses for plastics and polymers. Furthermore, in order to promote capabilities in the chemicals and petrochemicals sector, around twenty-three Central Institute of Plastics Engineering & Technology (CIPET) have been permitted to expedite financial and technological partnership.

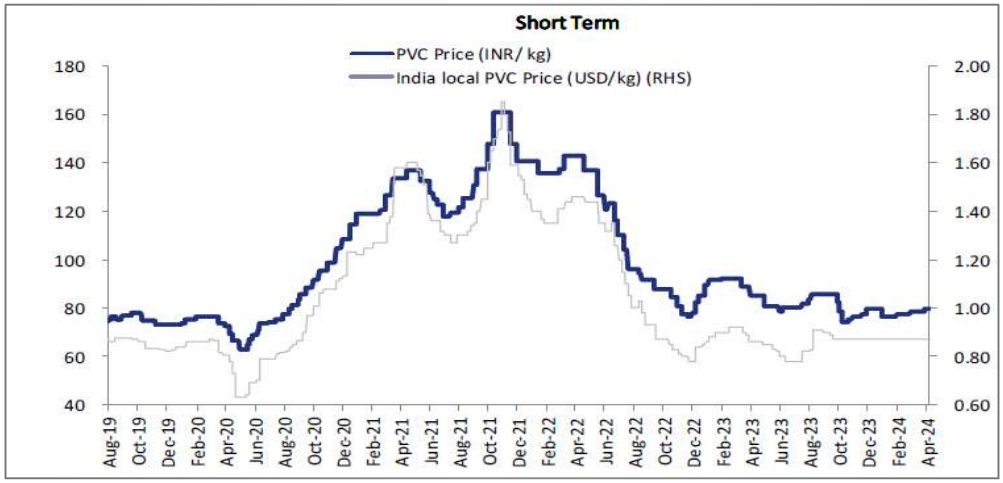
- Another positive catalyst for the industry is the imposition of the 2020–2025 Anti-Dumping Duty on CPVC resin and compounds imports from China and Korea. This measure has allowed local players to grow their market share and fortify the domestic industry.

PVC RESIN PRICE TREND

The chart above illustrates that Indian PVC prices generally mirror the movements of global PVC prices, with global prices typically leading the way.

Source: Bloomberg, JM Financial



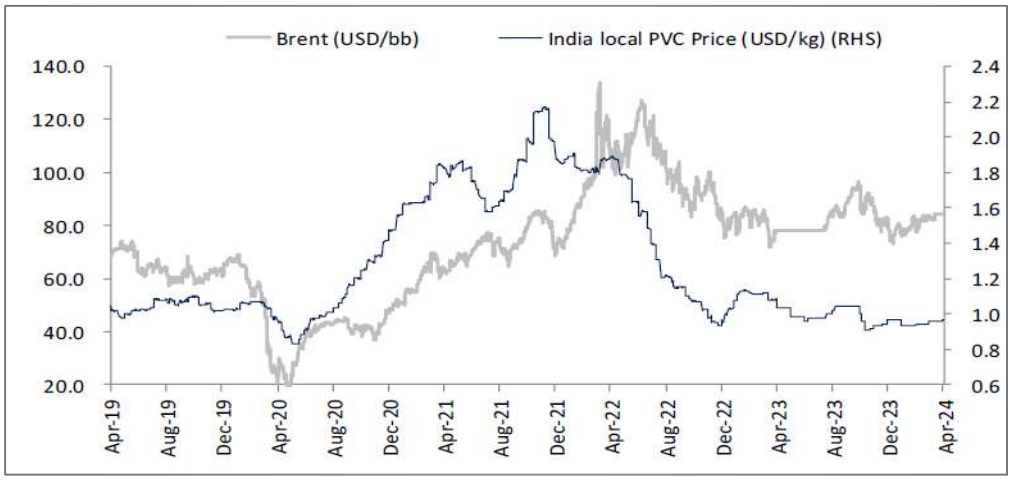


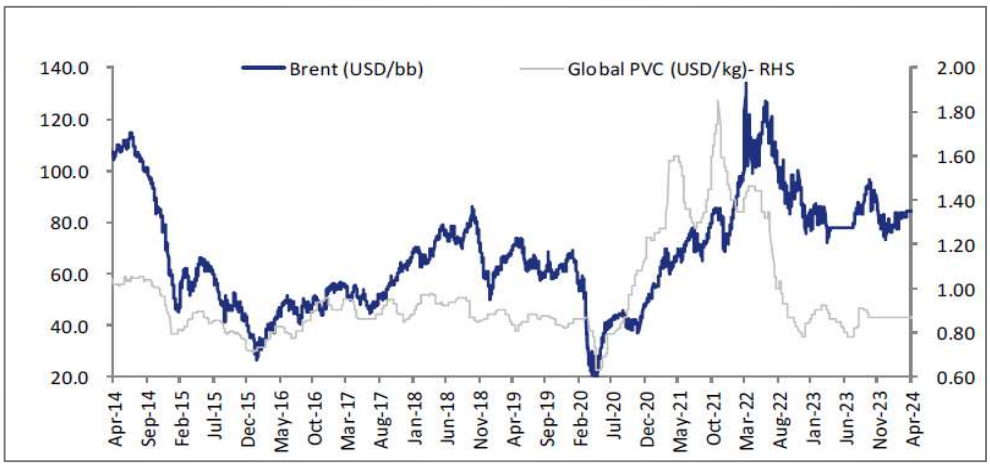
The chart illustrates the movement of global PVC prices in Indian rupees per kilogram compared to Indian local PVC prices quoted in US dollars per kilogram.

Source: Bloomberg, JM Financial

This chart illustrates the movement of Indian PVC prices in dollar terms relative to Brent crude oil prices in USD per barrel. It confirms the earlier observation that PVC prices tend to anticipate movements in oil prices in advance. However, Indian prices generally lag behind global PVC prices.

Source: Bloomberg, JM Financial





Global USD prices have seen a notable correction following the recent surge in global oil prices amid the adverse events of 2022, such as the Ukraine-Russia war. Historically, it has been observed that PVC prices tend to anticipate and incorporate any premiums due to changes in oil prices in advance.

Source: Bloomberg, JM Financial

FUTURE OUTLOOK - PLASTIC PVC PIPES

The Indian plastic pipe market is poised for significant growth, driven by opportunities in potable water supply, wastewater management, electrical and telecommunication cable protection, agriculture, chemicals, and oil and gas sectors. Projected to expand at a compound annual growth rate (CAGR) of 10.3% from 2022 to 2027, the market is expected to reach a valuation of $10.9 billion. Key growth factors include government infrastructure investments, rising residential and commercial construction, industrial expansion, irrigation projects, and the replacement of aging pipes. Notably, PVC pipe production saw a remarkable 35% increase in FY22, underscoring the market's robust outlook.

Despite challenges posed by the pandemic, the polymer pipes sector has demonstrated resilience, with a marked shift from metal to polymer pipes in plumbing and construction applications. CPVC pipes have experienced heightened demand for hot and cold-water plumbing solutions. UPVC pipes, favored for their longevity and cost-effectiveness, are anticipated to grow at a CAGR of 11-12% until 2024, driven by their corrosion resistance and diverse applications in water treatment, oil and gas, and wastewater management.

CPVC pipes, renowned for their exceptional durability and resistance to fire and corrosion, are rapidly gaining traction in the hot and cold potable water distribution market, with an expected growth rate exceeding 20% by 2024. HDPE pipes, utilized in irrigation, drainage, city gas distribution, and chemical processing, hold a 6-8% market share and are projected to grow at a CAGR of 12-13% until 2024 due to their superior performance and cost efficiency. Meanwhile, PPR pipes, despite their higher cost, are valued for their chemical resistance and thermal stability, with a projected growth rate of 6-7% CAGR until 2024, particularly in industrial applications.
Overall, the Indian plastic pipe market is on a promising growth trajectory, driven by increasing demand across various sectors and the country's ongoing infrastructure development.

Local players have directly benefited from the government's implementation of Anti-Dumping Duty on CPVC resin and compound imports from China and Korea from 2020 to 2025. This measure has enabled them to increase their market share and strengthen the domestic sector. Additionally, the government's focus on infrastructure development has significantly boosted the demand for polymer pipes. The industry's potential is underscored by the National Infrastructure Pipeline (NIP) objectives, which have allocated a capital expenditure of $5.5 trillion for FY22.

Demand will continue to be driven by continuing government initiatives like the Pradhan Mantri Krishi Sinchai Yojana and Jal Jeevan Mission, which are meant to improve irrigation coverage and water access. The Pradhan Mantri Awas Yojana and other residential real estate plans that benefit the mid-to premium sectors of the market will have a substantial impact on the demand for PVC pipes.

For the next two years, CRISIL Ratings projects total capital expenditures of about Rs. 5,000 crores, mostly funded by internal resources, to increase production capabilities by 20–25%. It is anticipated that the gradual activation of additional capacity would be in excellent alignment with the ongoing growth in demand, guaranteeing industry participants solid credit profiles and balanced balance sheets.

FUTURE OUTLOOK - METAL PIPES

With a compound annual growth rate (CAGR) of 7.9%, the global market for steel pipes and tubes is predicted to rise from USD 153.20 billion in 2019 to USD 278.84 billion by 2027. The oil and gas industry, where advancements such as horizontal drilling have raised the need for steel pipes because of their capacity to reach deep-water and distant places, is the main driver of this expansion. Steel pipe demand is being driven by rising infrastructure development in emerging nations, especially in construction projects. Steel tubes are preferred due to their affordability and minimal maintenance costs, which supports market expansion even more.

Within the larger steel industry in India, the steel pipes and tubes sector is very important, accounting for around 8% of the nation's total steel consumption. Pipes made of carbon steel and stainless steel are offered by the market in both welded and seamless forms. The two largest Indian markets for steel pipes and tubes are the oil and gas and chemical and petrochemical sectors, underscoring the importance of these materials in sustaining important industrial sectors. India's Oil and Gas Transmission strategy includes expanding the National Gas Grid to ensure equitable distribution of natural gas nationwide.

In the global Oil & Gas sector, plans are in place to add 17.8 million barrels of oil per day (mbopd) refining capacity by 2023, with an estimated $520 billion allocated for new refineries. India aims to nearly double its oil refining capacity to 450 million metric tonnes (MT) over the next decade, targeting an annual growth rate of 2.5% to reach 283.62 million metric tonnes per annum (MMTPA) through facility enhancements. Lastly, India's Oil and Gas Transmission strategy includes expanding the National Gas Grid to ensure equitable distribution of natural gas nationwide. Plans involve enhancing the current 17,000 km pipeline network and developing an additional 15,500 km to support economic and social development across regions.

FUTURE OUTLOOK - METAL PIPES

In the Power sector, global nuclear energy market growth is projected to increase from US$34,929.29 million in 2022 to US$41,687.32 million by 2030, with a CAGR of 2.99%. India's allocation of ₹9,410 crore to NPCIL in the 2023-24 Union Budget reflects a strategic push to expand atomic power generation capacity, a substantial increase over previous fiscal allocations.

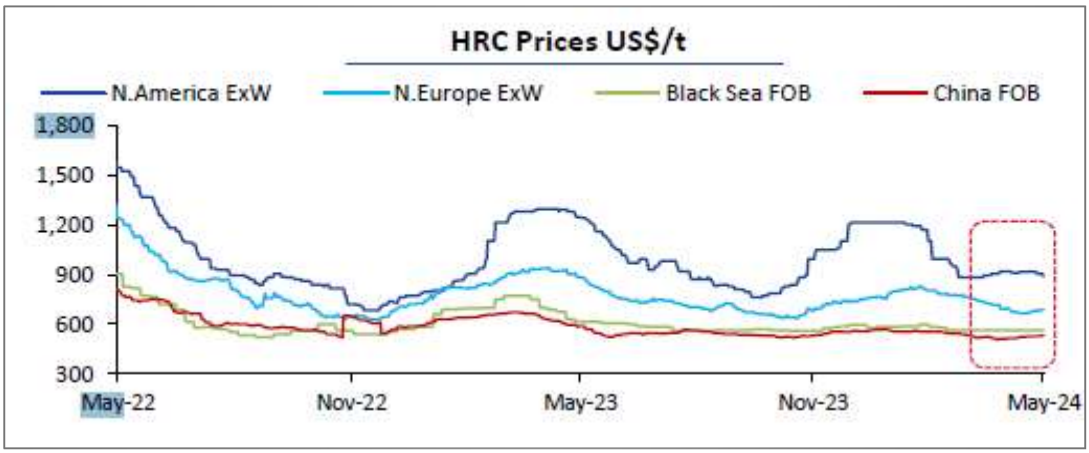
Government initiatives in the Fertilizer sector focus on boosting domestic production under the "Make in India" campaign, including reviving closed urea plants and scaling up nano urea production capacity. The fiscal year 2023-24 includes significant budget allocations of ₹1,75,103.17 crores for fertilizer subsidies and ₹1,31,099.92 crores for urea subsidies.

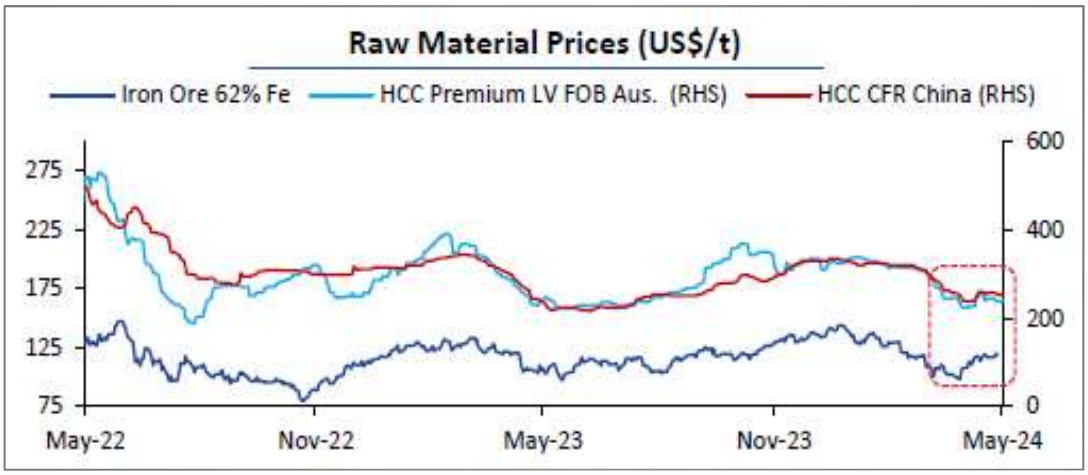
In Aerospace and Defence, events like Aero India 2023 showcased India's capabilities, attracting global investment and fostering partnerships in defence manufacturing. This initiative aims to position India as a leading exporter in the sector through collaborations with international defence ministers and industry leaders.

Moreover, City Gas Distribution (CGD) networks are expanding across India, aiming to cover 98% of the population with an estimated ₹800 billion allocated for infrastructure development. This initiative, which includes plans to extend coverage to 407 districts and connect 50 million households with Piped Natural Gas (PNG) by 2030, is set to significantly increase demand for steel pipes used in pipeline construction.

Simultaneously, global water infrastructure projects, such as India's Jal Jeevan Mission supported by ₹3.5 trillion in funding, are addressing critical water access challenges. With 61% of rural households already benefiting from tap water as of May 2023, these initiatives emphasize sustainability measures like water conservation and rainwater harvesting, further bolstering demand for steel pipes in the sector.

RAW MATERIAL & COMMODITIES TREND





- In the aftermath of the Ukraine-Russia war, global commodity prices have moderated significantly. This moderation is occurring alongside a weak economic sentiment prevailing across major powerhouses such as China and the United States. The subdued economic growth in these regions is reflected in the performance of commodity-driven nations like Canada, Saudi Arabia, and Australia.

- However, this global economic scenario has proved advantageous for economies like India. Despite the weak global economy, India has demonstrated remarkable resilience and has experienced growth stronger than many other nations. The moderation in commodity prices has provided a favorable environment for India's economy, which continues to expand robustly amidst global uncertainties.

SOURCE: Bloomberg

The Indian plastic industry is intricately linked to the petrochemical sector, with both upstream and downstream activities forming its value chain. Upstream activities, dominated by large petrochemical firms, focus on polymer production—the essential raw material for plastics. This production capability ensures a stable supply of key polymers like PVC, high-density polyethylene (HDPE), low-density polyethylene (LDPE), and polypropylene (PP), which are predominantly manufactured domestically.

Downstream activities involve plastic processing companies that convert polymers into a wide range of plastic products. This sector is characterized by a high degree of diversity, with many small and medium-sized enterprises (SMEs) contributing significantly. These downstream producers cater to various industries including automotive, construction, electronics, healthcare, textiles, and fast-moving consumer goods (FMCG).

The strong presence of both upstream polymer production and diversified downstream processing capabilities supports the Indian plastic industry's growth and resilience. It ensures that the industry can meet the demands of numerous sectors across the country, thereby playing a crucial role in India's industrial and economic landscape.

PLASTIC MANUFACTURERS

S. No	Company	Key Product
1.	Supreme Industries Ltd	Plastic Drainage Pipes and Moulded Furniture
2.	Astral Poly Technik Ltd	CPVC Piping, Piping for agriculture applications and Conduit Pipes
3.	VIP Industries Limited Ltd.	Plastic Luggage, bags, vanity cases
4.	Responsive Industries Ltd.	PVC Flooring, Artificial Leather
5.	Nilkamal Ltd.	Plastic molded furniture
6.	Wim Plast Limited	Plastic Furniture, Material Handling products, Plastic ball pen, thermoware products
7.	Peacock Industries Ltd.	Industrial Plastic Products, Healthcare plastic items

POLYMER MANUFACTURERS

S. No	Company	Key Product
1.	Finolex Industries Limited	PVC, Methanol, Ethylene Dichloride
2.	Haldia Petrochemicals Limited	Polypropylene and Polyethylene
3.	Reliance Industries Limited	Mono Ethylene Glycol, Polypropylene and Paraxylene
4.	Indian Oil Corporation Ltd.	Paraxylene/Purified Terephthalic Acid
5.	ONGC Petro Additions Ltd.	Ethylene, Propylene, LLDPE/HDPE, and Polypropylene.
6.	Chemplast Sanmar Limited (Sanmar Group)	PVC resins
7.	DCW Ltd.	PVC resins, Polyethylene, and Recycled Polymers.

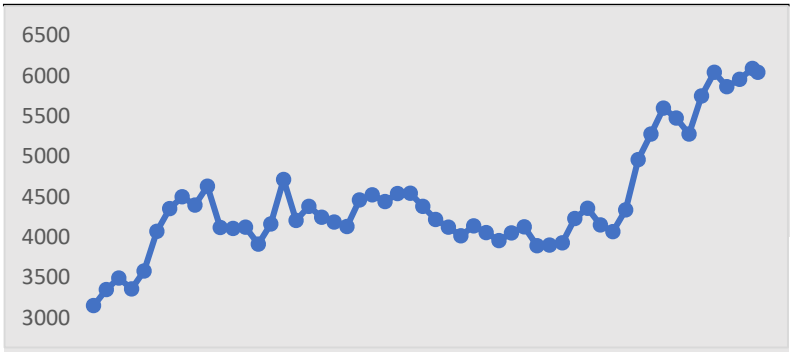
TOP PICKS

COMPANY	CMP(In ₹)	TARGET PRICE (In ₹)	UPSIDE (In %)	ROE	P/E	MARKET CAP (₹ Crore)
SUPREME INDUSTRIES	₹ 5,783	₹ 6,963	20.41	21.7	71.6	73,991
ASTRAL PIPES	₹ 2,267	₹ 2,615	15.35	18.5	114	62,195
RATNAMANI	₹ 3,646	₹ 4,295	17.80	21.7	41.2	25,654
APOLLO PIPES	₹ 631	₹ 744	17.91	8.23	61.2	2,601
FINOLEX	₹ 324	₹ 391	20.68	8.79	43	19,573
KSB Ltd	₹ 4,953	₹ 5,942	19.97	17.1	78.9	16,761

SUPREME INDUSTRIES | CMP: 5782.5 | TARGET: 6962.59

Supreme
People who know plastics best

1Y PRICE CHART



KEY FINANCIALS

Particulars	FY24	FY23	FY22
Net Sales (₹ million)	1,00,805.0	91,373.9	77,311.4
Net Profit (₹ million)	10,697	8,653	9,685
EPS (Basic)	84.21	68.12	76.24
OPM	12%	10%	13%
ROE (%)	22.49%	21.05%	27.60%
ROCE(%)	28.50%	26.81%	34.02%
P/E	50.2	36.87	26.8

Source :NSE

Supreme Industries Limited, a prominent player in the Indian plastics industry, offers a diverse range of plastic products across various categories including Plastic Piping System, Cross Laminated Films & Products, Protective Packaging Products, Industrial Moulded Components, Moulded Furniture, Storage & Material Handling Products, Performance Packaging Films, and Composite LPG Cylinders.

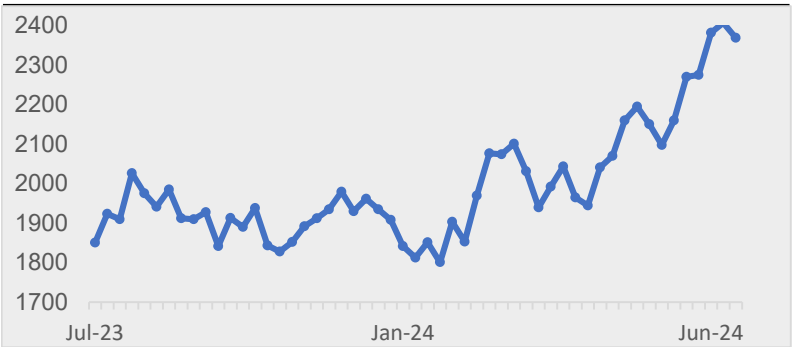
Operating in five segments, namely Plastics Piping Systems, Consumer Products, Industrial Products, Packaging Products, and Other Products, the company is involved in various plastic processing methods such as Injection Moulding, Rotational Moulding (ROTO), Extrusion, Compression Moulding, and Blow Moulding, generating revenue primarily from the sale of plastic products.

Supreme Petro, a joint venture of Supreme Industries, has announced plans to establish a new production line for polystyrene and ABS, as well as a line for manufacturing 3D panels. This expansion project, located near the Indian Oil Corporation Refinery in Panipat, Karnal district, involves the acquisition of land for a new complex. The project aims to diversify Supreme Petro's business by adding five new segments. Construction is progressing rapidly, with the plant expected to be operational by March 2025, boasting a capacity of 70,000 tons per annum.

ASTRAL PIPES | CMP: 2267 | TARGET: 2615

ASTRAL PIPES

1Y PRICE CHART



KEY FINANCIALS

Particulars	FY24	FY23	FY22
Net Sales (₹ million)	56,414	51,585	43,839
Net Profit (₹ million)	5,451	4,566	4,838
EPS (Basic)	20.33	17	18.01
OPM	13%	12%	14%
ROE (%)	18.08%	18.25%	22.80%
ROCE(%)	23.60%	23.10%	29.40%
P/E	97.95	78.65	84.24

Source :NSE

Astral Poly Technik Ltd, established in 1996, focuses on manufacturing plumbing and drainage systems in India and has expanded into the adhesive business over the years. It is a leading player in the CPVC pipes and fittings market in India and was the first to launch lead-free PVC pipes in 2004 and lead-free uPVC column pipes in 2012.

Astral's diverse product range includes PVC, CPVC, and lead-free PVC systems for drainage, agriculture, fire sprinklers, electrical conduits, and industrial plumbing. The acquisition of Rex Polyextrusion in FY20 added corrugated pipes, cable protection systems, and sub-surface drainage pipes.

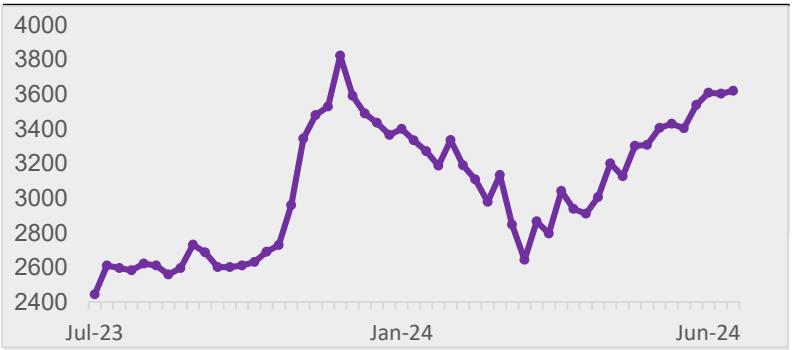
Its adhesives division offers products like epoxy adhesives, putty, silicone sealants, construction chemicals, PVA, cyanoacrylate, solvent cement, and tapes, expanded through acquisitions of Resinova Chemie in India and Seal IT Services in the UK.

Astral's portfolio also includes water tanks, faucets, sanitary ware, and paints, with 37 variants in pipes and tanks and 23 in adhesives. The company imports CPVC resin from Sekisui Chemical Co. Ltd. and sources PVC resins from Reliance Industries Ltd., DCW Limited, and Chemplast Sanmar Limited.
4o

RATNAMANI METALS & TUBES | CMP: 3646 | TARGET: 4295

RATNAMANI METALS & TUBES LTD.

1Y PRICE CHART



KEY FINANCIALS

Particulars	FY24	FY23	FY22
Net Sales (₹ million)	50,591	44,744	31,219
Net Profit (₹ million)	6,228	5,105	3,226
EPS (Basic)	88.85	72.83	46.03
OPM	16%	15%	13%
ROE (%)	21.68%	21.04%	15.23%
ROCE(%)	27.54%	27.26%	19.54%
P/E	31.38	27.12	37.61

Source :NSE

Ratnamani Metals & Tubes Ltd is a stainless steel pipe, tube, and carbon steel pipe manufacturer.The company offers carbon steel pipes, stainless steel tubes and pipes for external and internal coating solutions.Ratnamani's manufacturing facilities are located in Gujarat, India, at Chhatral & Indrad (near Ahmedabad) and Bhimasar (near Gandhidham, Kutch).

A broad variety of Nickel Alloy / Stainless Steel Seamless Tubes & Pipes, Stainless Steel Welded Tubes & Pipes,Titanium Welded Tubes, Carbon Steel Welded Pipes, and Stainless Steel / Carbon Steel Pipes with Coating are produced in the state-of-the-art manufacturing & testing facilities.

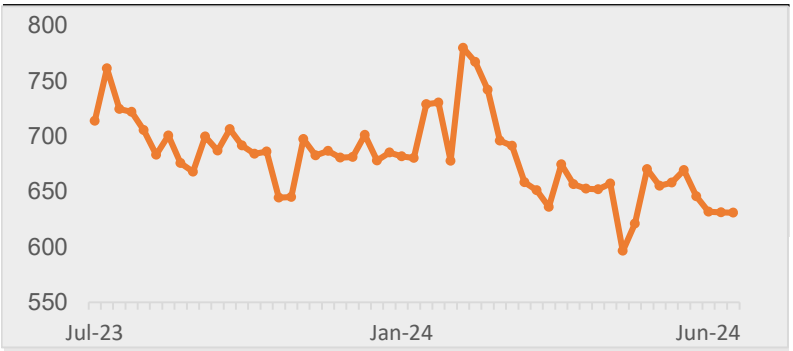
Ratnamani Metals and Tubes Limited (RMTL) has formed a joint venture with Technoenergy, Switzerland, holding a 51% majority stake. This venture, focused on pipe spooling and auxiliary products, is set to serve industries like oil and gas, thermal, and nuclear power plants, with commercial operations expected to begin in the next 3 to 6 months from November 2023.

The Company enjoys a marquee customer base including BHEL, NTPC, Siemens, Reliance Industries, L&T, ONGC, GAIL, Qatar Gas, Bechtel, and Exxon, who rely on it for high-quality, reasonably priced Steel pipes.

APOLLO PIPES | CMP: 631 | TARGET: 744

APLAPOLLO

1Y PRICE CHART



KEY FINANCIALS

Particulars	FY24	FY23	FY22
Net Sales (₹ million)	9,869	9,109	7,808
Net Profit (₹ million)	482	239	498
EPS (Basic)	10.84	6.08	12.65
OPM	7%	4%	9%
ROE (%)	8.30%	5.50%	13.12%
ROCE(%)	12.16%	9.40%	18.00%
P/E	60.06	90.16	38.3

Source :NSE

Apollo Pipes is a well-known producer and distributor of solvents, water storage tanks, PVC taps, fittings, and HDPE, cPVC, and uPVC pipes. Apollo Pipes, ranked among the top 10 suppliers of piping solutions in India, provides services to a range of industrial sectors, including telecom ducting, infrastructure, construction, agriculture, and water management.

With more than 35 years of experience, APL APOLLO has made a name for itself as a quality-driven business that is dedicated to providing high-quality goods at reasonable costs. Water storage systems, bathroom fixtures, fittings, and pipelines are all part of its product line. With a combined production capacity of 130,000 MTPA, the company runs six manufacturing facilities in Dadri and Sikandrabad (UP), Ahmedabad (Gujarat), Tumkur (Karnataka), and Raipur (Chhattisgarh).

With more than 1,000 channel partners and over 10,000 client touchpoints throughout India, APL APOLLO has a significant footprint. By creating goods that are appropriate for a range of purposes and usage scenarios, it serves markets in both urban and rural areas. The company produces a wide range of plumbing solutions, such as sprinkler systems, cable ducts, CPVC and uPVC pipes and fittings, and HDPE pipes, while adhering to worldwide quality requirements. With more than 2,500 SKUs in its portfolio, it is the brand offering the largest selection of goods in the Indian market.

INDUSTRY REPORT

FIN2RESEARCH Investment Advisor Pvt. Ltd.

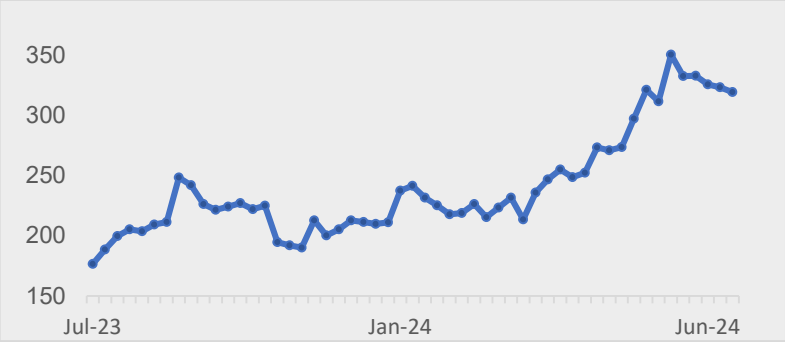
THEMATIC REPORT

FINOLEX INDUSTRIES

CMP: 324 **TARGET: 391**

Finolex
XCEEDS XPECTATIONS

1Y PRICE CHART



KEY FINANCIALS

Particulars	FY24	FY23	FY22
Net Sales (₹ million)	43,174	43,971	46,109
Net Profit (₹ million)	4,736	2,507	10,514
EPS (Basic)	7.66	4.04	16.94
OPM	11%	5%	20%
ROE (%)	8.99%	5.68%	29.75%
ROCE(%)	12.37%	7.50%	36.91%
P/E	32.17	42.23	9.13

Source :NSE

Finolex Industries Limited (FIL) is a prominent producer of PVC resin in India, as well as one of the biggest manufacturers of PVC pipes and fittings. The company provides a premium selection of PVC-U pipes and fittings for industrial, construction, and agricultural applications. The two primary product categories of FIL are PVC Resin and PVC Pipes & Fittings.

Being the only vertically integrated producer with in-house PVC resin manufacturing, FIL is a significant player in the domestic PVC market and has the second-largest capacity in the PVC pipes industry. 90% of the PVC resin segment's income in FY23 came from intergroup raw material transfers, up from 11% in FY08.

With captive consumption climbing to 75% in FY22 from 68% in FY21, the business is refocusing its efforts on expanding the consumption of its PVC resin for pipe manufacture. In response to rising demand, the management intends to make greater use of its pipes and fittings capacity.

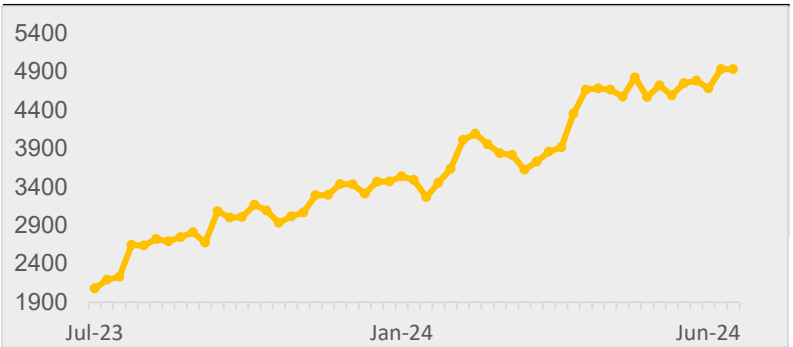
The overall installed capacity of FIL is 272,000 tpa for PVC resins and 382,000 tpa for PVC pipes and fittings. PVC resin accounted for 26% of revenue in Q2FY24, while pipes and fittings accounted for 74%.

KSB PUMP

CMP: 4953 **TARGET: 5942**

KSB
Solutions. For Life.

1Y PRICE CHART



KEY FINANCIALS

Particulars	Dec-23	Dec-22	Dec-21
Net Sales (₹ million)	22,317.0	18,083	14,811
Net Profit (₹ million)	2,087	1,827	1,494
EPS (Basic)	59.97	52.5	42.92
OPM	11%	11%	11%
ROE (%)	17.07%	16.97%	15.71%
ROCE(%)	22.50%	22.30%	20.59%
P/E	57.76	36.89	28.32

Source :NSE

India's KSB is a well-known global producer renowned for its superior goods and outstanding customer support. Operating under two organizations, KSB Limited and MIL Controls Ltd., the company specializes in centrifugal end suction pumps, high-pressure multistage pumps, industrial gate, globe, and check valves, submersible motor pumps, monobloc and small monobloc pumps, hydropneumatic systems, and control valves.

KSB Limited was established in 1960 and is based in Pune, Maharashtra. It manufactures and supplies industrial valves and centrifugal pumps throughout the Indian subcontinent. KSB exhibits strong production standards with its state-of-the-art plants located in Pimpri, Chinchwad, Khandala, Vambori, Coimbatore, and Sinnar.

With seven production facilities, four zonal offices, fourteen branch offices, six company-run service stations, over 350 authorized service centers, twenty-two godowns, and over 1,100 authorized dealers, KSB India has a strong infrastructure that guarantees comprehensive customer support.

Originally founded as Masoneilan Valves India Limited in the early 1980s, KSB MIL Controls Limited, a subsidiary of KSB SE & Co. KGaA, maintains the group's dedication to offering optimal fluid control solutions by manufacturing control valves using the best available technology at the time.

DISCLAIMER

ANALYST CERTIFICATION

I Gaurav Bhayana, Research Analyst, author, and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above-mentioned Analyst of this report has not received any compensation from the companies mentioned in the report in the preceding twelve months and does not serve as an officer, director, or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

Investments in the securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum, or risk-free return to the investors.

Fin2research Investment Advisor Private Limited (FIA) is the source of information and opinions in this report, which may be subject to change at any time. Any and all content in this report is confidentially sourced only for that intended audience and may not be altered, transmitted (in whole or in part), copied into another medium, or reproduced elsewhere without the written permission of Fin2research Investment Advisor Private Limited (FIA). Although we will endeavor to update the information contained herein for reasonable reasons, Fin2research Investment Advisor Private Limited (FIA) has no obligation to update or keep this information current. Due to regulatory, compliance, or other reasons, Fin2research Investment Advisor Private Limited (FIA) may be unable to do so.

The accuracy of this report is not guaranteed and it relies on information from public sources that have not been independently verified. This report and the information contained in it are for informational purposes only and should not be used or considered as an offer document or as an invitation to buy, sell, or subscribe to securities or other financial instruments. Although it is distributed to all clients at the same time, not all clients can receive this report at the same time. Fin2research Investment Advisor Private Limited (FIA) will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting, or tax advice or a representation that any investment or strategy is or would be appropriate for your particular circumstances.

The securities mentioned and opinions expressed in this document might not be appropriate for all investors, who have to make their very own investment decisions, primarily based totally on their very own investment objectives, economic positions, and needs of the particular recipient. This may not be taken in substitution for the exercising of independent judgment through any recipient. The recipient must independently compare the investment risks. Any number of factors, including fluctuations in interest rates and foreign exchange rates, could affect the value and return on investment. Fin2research Investment Advisor Private Limited (FIA) disclaims all responsibility for any form of loss or damage resulting from using this material. Future performance is not always predicted by past performance. Before making an investment in the securities markets, investors are recommended to review the Risk Disclosure Document to understand the risks involved. Actual results may differ materially from those set forth in projections. Statements that are deemed forward-looking are not guarantees and could change at any time.
As of the final day of the month before the research report was published, none of the following parties owned 1% or more of the equity securities of the company mentioned in the study: Fin2research Investment Advisor Private Limited (FIA), all of its subsidiaries, research analysts, or any family members of any of these parties.

The material contained in this study may not align with previous reports published by Fin2research Investment Advisor Private Limited (FIA) or reach a different conclusion. Fin2research Investment Advisor Private Limited (FIA) and its Research Analysts have not participated in any market-making activities on behalf of the firms listed in the report. We contend that no regulatory authority has taken any significant disciplinary action against Fin2research Investment Advisor Private Limited (FIA) that would have an impact on the company's ability to conduct equity research analysis.

The distribution, publication, availability, or use of this report by any person or entity that is a citizen or resident of, or located in, any locality, state, country, or other jurisdiction is not authorized or intended, as it may violate legal requirements or subject Fin2research Investment Advisor Private Limited (FIA) and affiliates to registration or licensing requirements in such jurisdictions. Certain groups of investors or all jurisdictions may not be able to purchase the securities covered here. It is expected of everyone who may come into possession of this material to become aware of and abide by these restrictions.

THANK YOU

Fin2Research Investment Advisor Pvt Ltd (FIA)
CIN: U70200DL2023PTC413207IA
Registration No: INA000018425
Registered Office: Plot No A 2nd Floor, Street New Bungalow Road, Malka Ganj, Delhi North Delhi,110007 Delhi
Phone no: 9711885801
Email id: customercare@fin2research.com
Website: www.fin2research.com
For Research Query- researchdesk@fin2research.com