

**Bansal Roofing Products ₹ 30****Come on the Roof Top !****Buy**

Jan 30, 2015

**Company Background**

Bansal Roofing Products Limited (Bansal Roofing) was incorporated in 2008 by a group of promoters experienced in the field of roofings. To expand its horizons the company got listed in the BSE SME segment in July 2014. The key products manufactured by Bansal Roofing by BRPL are Metal Roofing sheets and Accessories and the company also supports the client through Consultancy and Installation Services. The company's factory is located around 20 km from Vadodara in Gujarat and the products are well accepted both locally and internationally. The company has been recently rated as SE-2B by CRISIL which when interpreted turns out to be a High Performance Capacity and Moderate Financial Strength Status.

**Key Highlights**

- ➔ Bansal Roofing is slowly turning out from a mere roofing and accessories to a full time Turnkey service provider for framework of different projects. Though in the preliminary stages, the company has also started consultancy and installation services which can offer customised roofing solutions across all types of projects.
- ➔ The Company is an approved vendor at the Railways and can benefit a lot with the strong and steady expansion of Railways network projected by the New Government.
- ➔ The Company not only manufactures roofings but also a lot of roofing accessories which ensures everything which a project would require for roofing is available at a single source. Their products include all types of roofs like colour coated roofs, FRP Roofs, Polycarbonate sheets, etc.
- ➔ The Company also manufactures some unique articles with good demand which include Eco Ventilators that run without power, Prefabricated ready to ship houses & cabins, etc.
- ➔ In the last 6 years of operations Bansal Roofings has garnered to some big names in the industry which include Larsen & Toubro, Jindal Stainless, Tata Chemicals, Ion Exchange, Sun Pharmaceuticals, Garden Sarees. This brand value would turn out to be beneficial.

**Key Financials**

Year Ended 31 <sup>st</sup>	Mar 12	Mar 13	Mar 14
Revenue (INR mn)	6.3	171.5	191.9
Rev. growth (%)	800.0	2,622.2	11.9
EBITDA (INR mn)	(0.5)	9.8	11.2
Net profit (INR mn)	(0.8)	6.4	6.6
Shares outstanding (mn)	0.1	1.0	1.5
EPS (INR)	(8.0)	6.4	4.3
EPS growth (%)	(200.0)	(180.0)	(32.2)
P/E (x)	0.0	0.0	0.0
RONW (%)	(177.8)	78.1	33.3
ROCE (%)	(10.1)	26.4	17.5

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**Info Codes**

Reuters	: -
Bloomberg	: BRL@IN
NSE	: -
BSE	: 538546

**Market Data**

52 Wk Range (₹)	: 30 / 34
Shares in Issue (mn)	: 1.5
Mkt. Cap (₹ bn)	: 0.06
BSE 2 Wk Avg Vol	: 6400

**Share Holding Pattern (%)**

Promoters	: 67.22
FII's	: 0.00
DII's	: 0.00
Others	: 32.78

**Investment Theme**

Roofing is a major part of any project requirement. Currently the most popular roofing material is a conventional Galvanized Corrugated Sheet, Cement sheet. However trends are changing demand for the above is being replaced by Colour Coated Roofing Sheet which is the main product of Bansal Roofing. The reason is that at marginal high price customer gets a good aesthetic value and long life product. Competition is tough but simultaneously requirement of these products are increasing both domestically and internationally. Future Exports prospects are high. Also taking into consideration that India overall is still a Developing Country and a lot of new manufacturing sites, railway expansions and infra projects are shortly due to happen, Demand in this sector will remain and future will possibly be good for the company.

**Everyone wants a Roof over him !**

## Financial Statements

## Income Statement

(₹ mn)

Year end	Mar 12	Mar 13	% Chg	Mar 14	% Chg
Total Sales + Excise	7.1	192.3	2608.45	217.3	13.00
Other Income	0.0	0.2	-	0.4	100.00
Change in Stocks	4.2	17.9	326.19	18.7	4.47
Raw Material Con.	0.0	0.0	-	0.0	-
Employee Exp.	0.5	2.2	340.00	4.5	104.55
Indirect Taxes	0.8	21.4	2575.00	26.1	21.96
Other Exp.	10.5	177.0	1585.71	194.6	9.94
Operating Exp.	7.6	182.7	2303.95	206.5	13.03
Operating Profit	(0.5)	9.6	(2020.00)	10.8	12.50
Total Interest	0.0	0.3	-	1.1	266.67
Gross Profit	(0.5)	9.5	(2000.00)	10.1	6.32
Net Dep.	0.1	0.6	500.00	0.6	0.00
Total Taxation	0.2	2.5	1150.00	2.9	16.00
Net Profit/Loss	(0.8)	6.4	(900.00)	6.6	3.12

## 4 Years Balance Sheet

(₹ mn)

Balance Sheet as on 31 <sup>st</sup>	Mar 11	Mar 12	Mar 13	Mar 14
<b>SOURCES OF FUNDS</b>	<b>1.1</b>	<b>14.7</b>	<b>33.8</b>	<b>39.5</b>
Equity Share capital	0.1	1.0	10.0	15.2
Share Application Money	0.0	0.0	0.0	0.0
Preference Share Capital	0.0	0.0	0.0	0.0
Reserves & Surplus	0.3	(0.5)	5.9	7.3
Long Term Loans	0.7	14.2	14.5	8.9
Short Term Loans	0.0	0.0	3.4	8.1
<b>USES OF FUNDS</b>	<b>1.1</b>	<b>14.7</b>	<b>33.8</b>	<b>39.5</b>
Gross Block	0.1	13.9	15.0	17.2
Less : Revaluation Reserves	0.0	0.0	0.0	0.0
Less : Accumulated Depreciation	0.0	0.1	0.7	1.1
Net Block	0.1	13.8	14.3	16.1
Capital Work in Progress	0.0	0.0	0.0	0.0
Investments	0.0	0.0	0.0	0.0
Current Assets	1.1	6.8	44.2	53.0
Less : Current Liabilities	0.1	5.9	24.7	29.6
Total Net Current Assets	1.0	0.9	19.5	23.4
Misc. Expenses not writtenoff	0.0	0.0	0.0	0.0
<b>NOTE</b>				
Bk Val Unquoted Investments	0.0	0.0	0.0	0.0
Mkt Val. Quoted Investments	0.0	0.0	0.0	0.0
Contingent Liabilities	0.0	0.0	0.0	0.0
Dividend (%)	0	0	0	0

**Quarterly Income Sheets**

(₹ mn)

Quarter Ended	Dec 13	Mar 14	Jun 14	Sep 14
Net Sales	No Data	No Data	No Data	No Data
Cost Of Sales	No Data	No Data	No Data	No Data
Operating Profit	No Data	No Data	No Data	No Data
Recurring Income	No Data	No Data	No Data	No Data
Adjusted PBDIT	No Data	No Data	No Data	No Data
Financial Expenses	No Data	No Data	No Data	No Data
Depreciation	No Data	No Data	No Data	No Data
Other Write Offs	No Data	No Data	No Data	No Data
Adjusted PBT	No Data	No Data	No Data	No Data
Tax Charges	No Data	No Data	No Data	No Data
Adjusted PAT	No Data	No Data	No Data	No Data
Non Recurring Items	No Data	No Data	No Data	No Data
Other Non Cash Adjust	No Data	No Data	No Data	No Data
Net Profit	No Data	No Data	No Data	No Data

**52 Week Index Relative Percentage Appreciation**

**Bansal Roofing vs SENSEX**
**Risks Associated**
**➔ Increase in Raw Material Prices**

The steep escalation in the prices of steel and other raw materials will adversely affect profitability of the products of the company.

**➔ Limitations due to Size**

The company is basically a low capital small company listed under the BSE SME, it is evident that the company can only take up small scale operations due to its size and faces a tough competition from bigger size companies, who can easily absorb the risk factors in business.

**➔ Inability to Compete**

Though the company has some impressive clientele. It will not be able to participate in very large size tenders since it does not fit in most criterion of network and performance.

## Bansal Roofing

### In a Nutshell

Bansal Roofing was incorporated in 2008 by a group of experienced promoters after an initial successful run business they ventured into capital raising activities from the markets and got listed in July 2014. The company basically is a dedicated manufacturer of all types of roofing products and accessories apart from the above they also manufacture some unique products like ecoventilators, ready to ship prefabricated houses and cabins etc. They have also ventured into designing consultancy and installation business. Looking at the product range the company has nearly covered all options required for roofing and due to its quality offerings already has a stack of renowned clients. The current scenario of India speaks more about development of Infrastructure, manufacturing railways, new projects all of which require a roof and a framework. We feel the current macro-economic scenario would spell out good news for the company. The company is geared up for a rapid growth which is certified by a SE-2B certification by CRISIL. It is also in a process of expanding its product line to cater to a wider base. Looking at all the above factors we recommend the scrip.

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## Rating Interpretation

**Buy** : Expected to appreciate 20% or more over 12-months

**Accumulate** : Expected to appreciate 10% to 20% over 12-months

**Trade Buy** : Expected to appreciate more than 10% over 45-days

**Reduce** : Expected to depreciate up to 10% over 12-months

**Sell** : Expected to depreciate 10% or more over 12-months

**Trade Sell** : Expected to depreciate more than 10% over 45-days

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