

India Steel & Steel Products Analysis & Forecast, 2026

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1 MARKET SYNOPSIS

1.1 DEFINITION OF STEEL & STEEL PRODUCTS

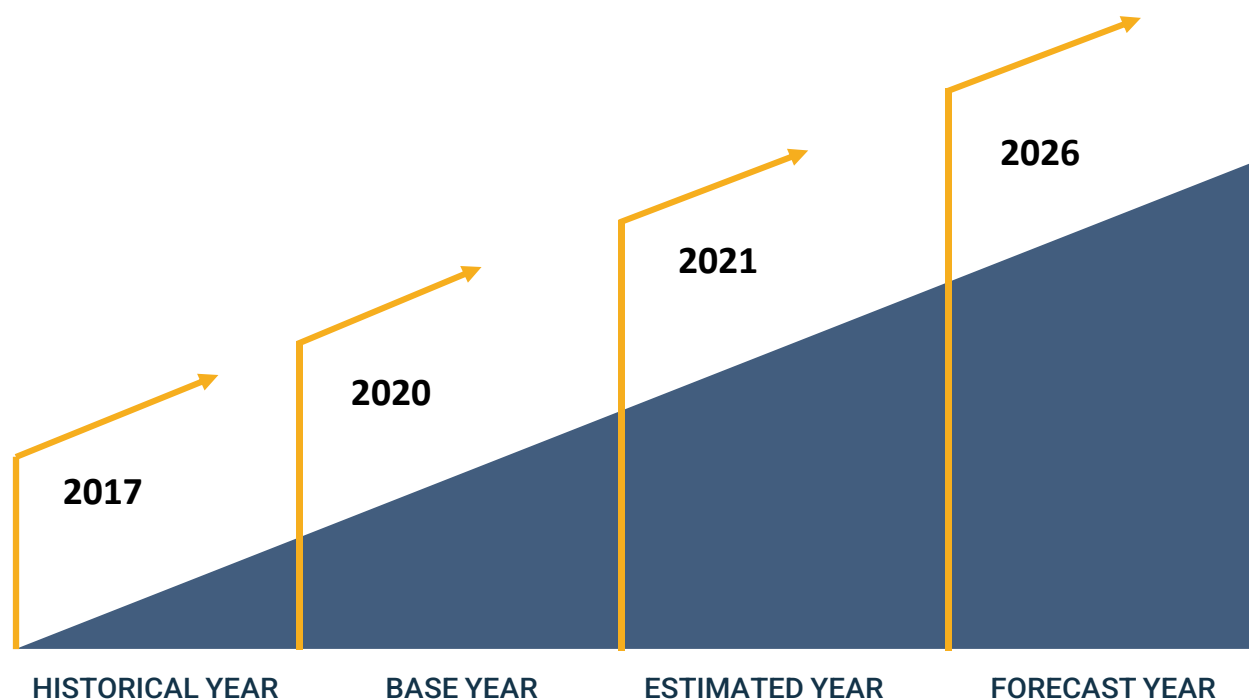
According to world steel Iron is made by removing oxygen and other impurities from iron ore. When iron is combined with carbon, recycled steel and small amounts of other elements it becomes steel. Steel is an alloy of iron and carbon containing less than 2% carbon and 1% manganese and small amounts of silicon, phosphorus, sulphur and oxygen. Steel is the world's most important engineering and construction material. It is used in every aspect of our lives; in cars and construction products, refrigerators and washing machines, cargo ships and surgical scalpels.

1.2 RESEARCH SCOPE & PREMISE

The report provides market value for base year 2020 and a yearly forecast from 2021 to 2026 in terms of revenue (USD Million) & Volume (Million Tons). The market for each aforementioned segment is present in the region as well as country-basis for the above-mentioned forecast period.

Key industry dynamics, regulatory scenario, major grade dynamics, method dynamics, application dynamics, end-use dynamics, and Indian steel & steel products market future markets are analyzed to understand their impact on demand for the forecast period. Growth rates have been estimated using correlation, regression, and time-series analysis.

FIGURE 1 YEARS CONSIDERED IN THE STUDY



1.3 RESEARCH METHODOLOGY

A research methodology is a systematic approach for assessing or conducting a market study. Researchers tend to draw on a variety of both qualitative and quantitative study methods, inclusive of investigations, surveys, secondary data, and market observation.

Such plans can focus on classifying the products offered by leading market players or simply use statistical models to interpret observations or test hypotheses. While some methods aim for a detailed description of the factors behind an observation, others present the context of the current market scenario.

1.4 ASSUMPTIONS & LIMITATIONS

| Parameter | Description |
|--------------------------------|--|
| Market Value | For the Indian steel & steel products market study value is considered in USD Million |
| Market Volume | For the Indian steel & steel products market study volume is considered in Million Tons |
| Exchange Rate | The exchange rate fluctuations are assumed to be stable enough, that it does not have a significant effect on market forecasts |
| Price | Average Selling prices are considered |
| Economic & Political Stability | It is assumed that all countries have economic & political stability |

2 EXECUTIVE SUMMARY

2.1 EXECUTIVE SUMMARY

The global steel sector is growing at a strong pace considering the saturation of the sector.

The growing demand for finished steel goods and ever growing end use industries is contributing to the growth of steel sector globally. The world crude steel production was over 1.8 Billion tons which was a 3% growth from the previous year.

Steel is primarily used for infrastructural projects for residential, industrial, and other purposes. Now the countries that were previously underdeveloped are picking up the pace and trying to be at par with the developed countries. For this, infrastructure is a must, and thus, products of this industry will prove to be useful and in demand. The prospects for this industry, as deciphered by our analysts, is very optimistic and encouraging. Thus, the market valuation for this industry is supposed to grow in the forecasted period. Also, the market is supposed to record a CAGR of strong growth by the year 2026. The impacts of the pandemic have been severe in this market. However, it is assumed that once the lockdown phase is over, the market will surely find its footing.

2.1.1 STEEL PRODUCTION BY COUNTRY

TABLE 1 STEEL PRODUCTION BY COUNTRY, (THOUSAND METRIC TONS)

| Country | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------|-------|-------|-------|-------|-------|-------|
| Austria | 7438 | 8135 | 6885 | 7424 | 6765 | 7920 |
| Belgium | 7687 | 7842 | 7980 | 7760 | 6119 | 6950 |
| Germany | 42080 | 43297 | 42435 | 39627 | 35680 | 40066 |
| France | 14413 | 15505 | 15387 | 14450 | 11596 | 13947 |
| Italy | 23312 | 24007 | 24496 | 23190 | 20379 | 24400 |
| Spain | 13616 | 14441 | 14320 | 13588 | 10998 | 14040 |
| UK | 7635 | 7491 | 7268 | 7218 | 7086 | 7360 |
| Turkey | 33163 | 37524 | 37312 | 33743 | 35810 | 40360 |
| Russia | 70453 | 71491 | 72122 | 71897 | 71621 | 75970 |
| Ukraine | 24218 | 21417 | 21100 | 20848 | 20616 | 21366 |
| Canada | 12646 | 13208 | 13443 | 12897 | 10986 | 12770 |

| | | | | | | |
|--------------|--------|--------|--------|--------|---------|---------|
| Mexico | 18824 | 19924 | 20204 | 18387 | 16803 | 18400 |
| The U.S. | 78475 | 81612 | 86607 | 87761 | 72732 | 86012 |
| Brazil | 31642 | 34778 | 35407 | 32569 | 31415 | 36039 |
| Egypt | 5036 | 6870 | 7807 | 7257 | 8229 | 10294 |
| South Africa | 6141 | 6301 | 6327 | 6152 | 3877 | 5020 |
| Iran | 17895 | 21236 | 24520 | 25609 | 28990 | 28460 |
| China | 807609 | 870855 | 928260 | 996342 | 1064732 | 1032790 |
| India | 95477 | 101455 | 109272 | 111351 | 100256 | 118134 |
| Japan | 104775 | 104661 | 104319 | 99284 | 83186 | 96334 |

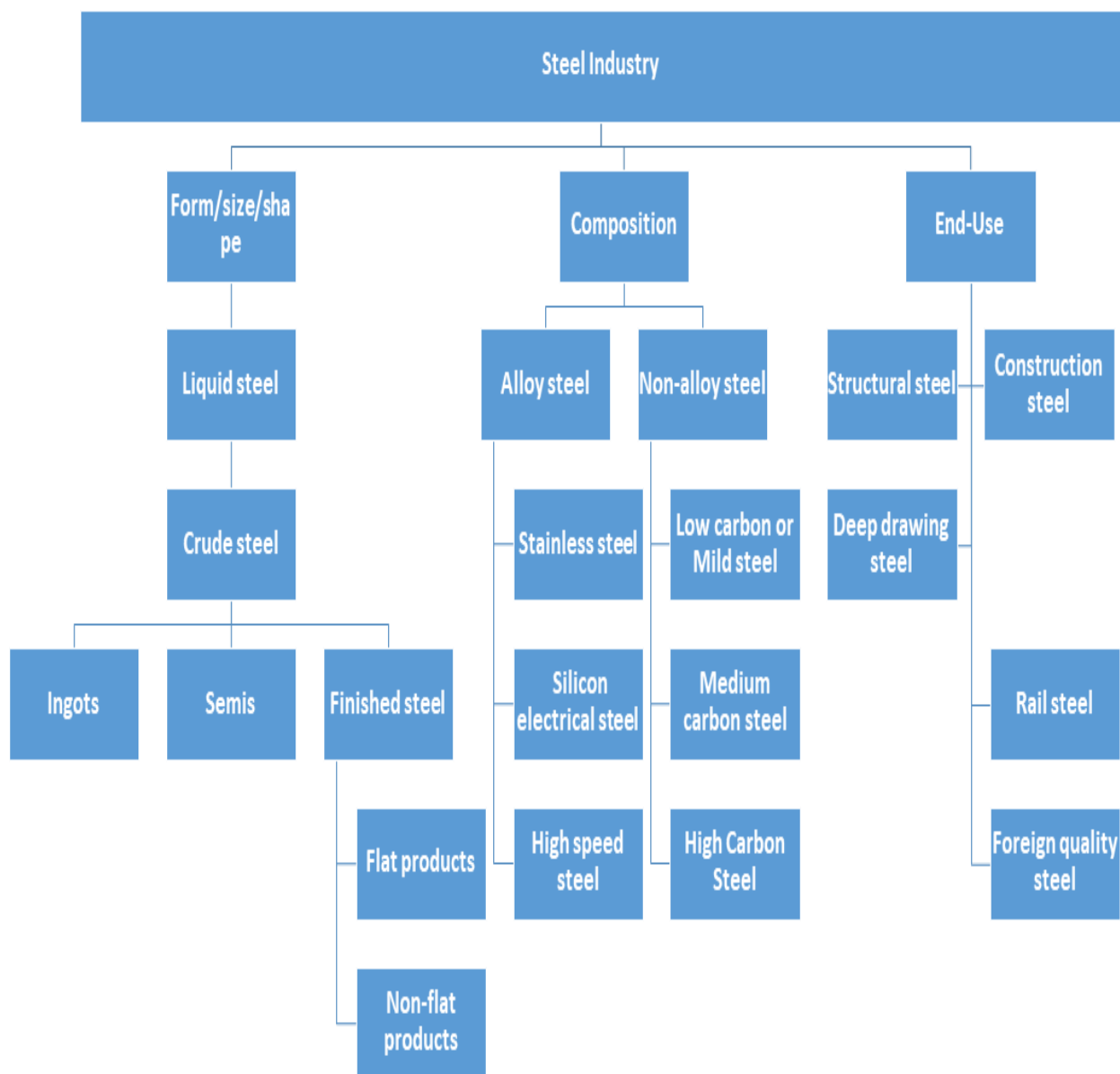
Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

The key summary is elucidated as follows:

Steel segment is projected to witness a considerable growth rate during the forecast period. Its traits like high tensile strength, density, and longevity as compared to other steel types, which is resulting in its growing popularity in industrial machinery, aerospace & automotive applications.

Automotive & transportation segment held a strong market share in 2020. The high demand for this steel in tubing, springs, and fasteners in the automotive sector contributes to the market share held by this segment. Furthermore, increasing demand for high performance, high-end cars also contributes to the elevated demand for this metal, which is attributed to its traits like corrosion resistance, stress cracking, and ductility.

FIGURE 2 STEEL MARKET



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

3 COVID-19 IMPACT ANALYSIS

3.1 MACRO INDICATORS

3.1.1 MARKET SCENARIO: DEMAND AND SUPPLY OUTLOOK

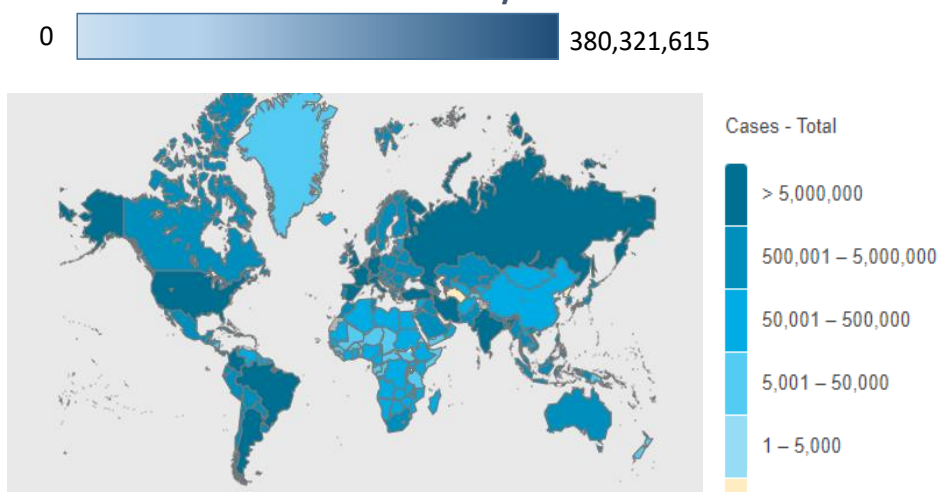
The coronavirus outbreak has overturned major economic sectors in the U.S., where the pandemic slowdown has deeply impacted the business and jobs. In the global pandemic scenario, the global GDP fall by 2%, where developing countries accounted for 2.5% fall in GDP along with 1.8% in industrial countries as a result of slowing down of economic activities, with supply and demand disruptions. With increasing awareness about potential risks of COVID-19 across the globe, there have been massive efforts to add capacity and strength to the healthcare system rapidly. As a result of the novel corona virus pandemic governments has pushed several nations toward a lockdown. However, nowadays most of the countries are withdrawing lockdown measures due to COVID-19.

Spread of COVID 19 has disrupted economic activities and has negative impact on major industries like manufacturing along with service industry. COVID 19 has dramatically diminished consumer discretionary spending to a freeze on business activities including hiring, capital budgets, and reduction in essential operational expenses. Levying of import tariffs and export restrictions adds to the supply crisis in the market in the wake of the COVID-19 outbreak.

Like every other market, the Indian steel & steel products market has been significantly impacted by the noble virus. The manufacturers in the industry are witnessing a crunch from both the demand and supply sides. On the demand side, the outbreak of the pandemic has led to several macroeconomic challenges that have prompted the delay or suspension of investment decisions for both large and small-scale projects under development, which in turn is further resulted in demand destruction of Indian steel & steel products at these facilities.

FIGURE 3 COVID-19 CASES IN 2020 AMONG MAJOR AFFECTED NATIONS

Confirmed Cases as on 02nd February 2022: Most Affected Nations



Source: Worldometer estimates

An impact analysis on COVID-19 suggests that there has been a notable drop in demand and consumption of Indian steel & steel products across the world in the last ten months, owing to the shutdowns trade restrictions. Well-known Indian steel & steel products producers have been adopting specific tactics to mitigate the impact of SARS-CoV-2 on their business by appraising their dealerships. The short-term impact and long-term impact of COVID-19 on the Indian steel & steel products industry has resulted in the closing of manufacturing plants.

3.1.1.1 SHUTDOWN OF FACTORIES

As per the International Labor Organization, the Indian steel & steel products industry are witnessing a massive drop in demand and investment due to the covid-19 pandemic situation. It struggles with a widespread stoppage of economic activity, as workers stay at home, supply chains come to a halt, and factories are shut down. Restrictions imposed on citizens' movement and the sudden stoppage of economic activity is anticipated to affect severe contraction in the Gross Domestic Product. Companies engaged in prescheduled delivery contracts have delayed delivery date for local and global clients, at predetermined prices have to procure raw material at high prices disturbing operating cost.

With an adverse multiplier effect on the economy through backward and forward linkages, especially in developed countries, the industrial sector plays a vital role as a growth driver. Production plants halting is the most persistent challenge faced by this market, the downfall in production has lowered the demand for the chemicals required to produce end use products, resulting in lower capacity utilization, and cost pressure to sustain in the market for the companies.

On the supply side, as the measure is taken to control the spread of the virus is compelling the chemical and petrochemical manufacturers to reduce operating rates of their stream crackers and polypropylene/polyethylene production units, which has not only caused the shortage of raw material availability for a large number of Indian steel & steel products manufacturers but has also resulted in volatility in the prices of these raw materials worldwide. This disruption in the supply chain and the unavailability of the manufacturers to find alternative raw materials suppliers on the fact that international sea logistics systems have been heavily impacted by the virus have compelled the manufactures engaged in the Indian steel & steel products business to reshape their current and adapt strategies that can enable them to strengthen their supply chain. The global demand has stagnated, and historical capacity expansion has given way to regional overcapacity with a global average utilization of about 40-70%. Another challenge stems from the intensive capital investment required, and many manufacturing companies struggle to generate returns beyond their investment. However, local manufacturers may invest in capacity, increasing last mile production.

3.1.1.2 SHORTAGE OF LABOR WORKFORCE

The production of Indian steel & steel products had entirely stopped in this region owing to the pandemic. However, the sales continued are recovering through industrial sector. Currently, the manufacturing is working overtime to catch up with that pent-up demand. Besides, Indian steel & steel products production has returned nearly too pre-virus levels. Yet, the staffing levels within most manufacturing plants have not fully recovered. To refrain the virus from spreading inside the factories, the laborers are following strict guidelines to stop the

spread of corona virus and if any is found to be COVID-positive, they were put in quarantine. It had created gaps in the production line that haven't been easy to fill despite the high national unemployment rate. The overall impact on employment in the Indian steel & steel products industry and its supply chains is unknown.

3.1.1.3 IMPACT ON GLOBAL TRADE

Global countries were aiming at securing critical material supply to protect local industries during lockdown. As shocks and disruptions in supply of these materials have become more prominent the government is emphasizing on local productions to combat trade restrictions. As the domestic demand subdued, the increase in import export mainly for rubber products will help in recovering of the industry post COVID.

The COVID-19 pandemic represents an unprecedented disruption to the global economy and world trade, as production and consumption are scaled back across the globe. The performance of cargo transport services is important to trade costs in manufacturing. Since the beginning of the COVID-19 crisis, maritime and land transport have remained largely functional, although they have registered sometimes considerable delays, but air freight transport has been severely disrupted.

3.1.1.4 SUPPLY CHAIN STABILIZATION

The companies have continued to operate through the pandemic, focusing on complying with health and safety requirements while protecting their financial strength. Besides, governments are expected to take proactive actions to support the industry. Manufacturers are taking steps to protect cash flow and strengthen their financial position amid decreased demand, including:

- Achieve cost savings by abating nonessential expenses and reducing labor costs.
- Cut down capital expenditures by postponing ongoing projects where possible and restricting maintenance to critical projects.
- Maintain working capital by adjusting inventory levels to market conditions and through other strategies.
- Boosting liquidity by withdrawal credit lines and suspending dividends payments and share repurchase programs, among others.

Companies ensure that manufacturing plants comply with new health and safety regulations and government standards in response to covid-19. The work can be performed with a high degree of safety because of plants' tightly controlled work environment, low personnel density, and the fact that much of the work takes place outdoors. In the short term, merger and acquisition activity is expected to be constrained as deals will be more challenging to complete. However, large, well-capitalized companies could seek to acquire smaller companies struggling due to the medium term's pandemic.

Producers are responding to new supply and demand dynamic by shutting down high cost supply and high grading resulting in new supply demand equilibrium often at lower levels than seen previously. Market changes and demand shock and trade restrictions affects trade flows which has led to divergent price trajectories as government stimulus packages alter end use sector responses.

3.1.1.5 MAJOR ECONOMIES: EPICENTERS OF THE COVID-19 OUTBREAK

When the covid19 pandemic started in China it sends its shock waves to countries across the globe. As the number of cases across the globe was on the rise, it caused the governments across the world to take drastic action in the form of lockdowns and implementing strict social distancing measures, in order to stop the impending catastrophe. These actions had a dramatic impact on the global economy, as the industrialist across the globe were forced to halt their production, leading to supply chain disruptions and impairing of various industries. Thus, plummeting the global markets. With China being the epicenter of this pandemic, the exports demand shrinks to these countries due to travel restrictions. However, possible interventions by the government such as policies providing transport subsidies for export commodities. One of the major disruptions to the globally rising demand for Indian steel & steel products is logistics and production. Companies relying on Asian countries for supply has been hit with supply crunch as the flow of materials was restricted, thus rising importance of local players in the market to fulfill demand from end use sectors which are ramping up productions. Companies are relying on lowering capital expenditure directed to the mines with the highest margins and lowest operating cost as companies are focusing on rebuilding profitability.

3.1 REPORTS AND DATA ANALYSIS

3.1.1 UPCOMING STRATEGIES REQUIRED TO COMBAT THE CURRENT SITUATION

- Many manufacturers will likely soon face liquidity issues as operating cash flow diminishes during the crisis. So, they are tightly managing cash flow and reviewing all non-existential expenses to weather the storm, e.g., hiring freezes, delaying Capex plans, etc. Moreover, several producers are bargaining higher credit lines with their banks to survive the crisis.
- Also, government aids might be necessary to prevent bankruptcies, job loss, funding for short-term work, short-term financing, tax deferrals, etc. The dealers and suppliers are similarly vulnerable to a sustained period of missing out on operating cash flows, e.g., due to a forced shutdown of dealer sales operations in many countries.
- Form an operating model for responses related to supply chain interventions. Identify key stakeholders, formulate governance, set up communication channels, and define processes to identify, prioritize, and manage interventions. Appoint a comprehensive and single point of responsibility for owning the response plan. Once verified, the center coordinates responses—from definition and alignment to communication.
- Estimate a disruption event with the help of big data, intelligent systems, and connected ecosystems. Identify the potential exposure of each component to risk up the supply chain and prioritize risks accordingly. Evaluate the risk impact, both financially and operationally, model scenarios, and evaluate alternatives.
- Develop a detailed action plan for components and suppliers with the most significant impact and decide which response actions to take, by whom, and with what trade-offs/considerations. An effective strategy uses a blend of levers, including shift sourcing to other geographies, identify alternative suppliers, ad hoc negotiations, and safety stock.

4 INDIAN STEEL INDUSTRY ANALYSIS

4.1 INDIAN MACROECONOMIC REVIEW

The Indian economy was impacted by the global pandemic caused by COVID-19 and still recovering from the impacts of this virus. The economic growth hindered in the last year and businesses are still trying to recover from the downfall caused due to the pandemic in 2020. The real Gross Domestic Product (GDP) growth is projected to contract in 2020-21 as compared to a strong growth in 2019-20. GDP growth, however, is expected to rebound strongly in 2021-22 owing to the reform measures undertaken by the Government.

4.1.1 GDP GROWTH

TABLE 2 INDIAN GDP, 2017-2021

| Year | GDP (% Growth) | Growth/Decline |
|------|----------------|----------------|
| 2017 | 6.80% | Decline 1.46% |
| 2018 | 6.53% | Decline 0.26% |
| 2019 | 4.04% | Decline 2.49% |
| 2020 | -7.96% | Decline 12.01% |
| 2021 | 9.50% | Growth 17.60% |

Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

TABLE 3 INDIAN GDP, 2022-2026 (FORECASTED)

| Year | GDP (USD BILLION) | GDP GROWTH |
|------|-------------------|------------|
| 2022 | 3,312.95 | 8.63% |
| 2023 | 3,591.03 | 8.39% |
| 2024 | 3,884.73 | 8.18% |
| 2025 | 4,199.01 | 8.09% |
| 2026 | 4,534.34 | 7.99% |

Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

4.1.2 GDP PER CAPITA

TABLE 4 GDP PER CAPITA, 2017-2020 (HISTORICAL), 2021-2026 (FORECASTED)

| Year | GDP Per Capita (USD) |
|------|----------------------|
| 2017 | 1,980.69 |
| 2018 | 1,996.95 |
| 2019 | 2,098.93 |
| 2020 | 1,964.88 |
| 2021 | 2,190.90 |
| 2022 | 2,357.64 |
| 2023 | 2,532.09 |
| 2024 | 2,714.71 |
| 2025 | 2,908.84 |
| 2026 | 3,114.63 |

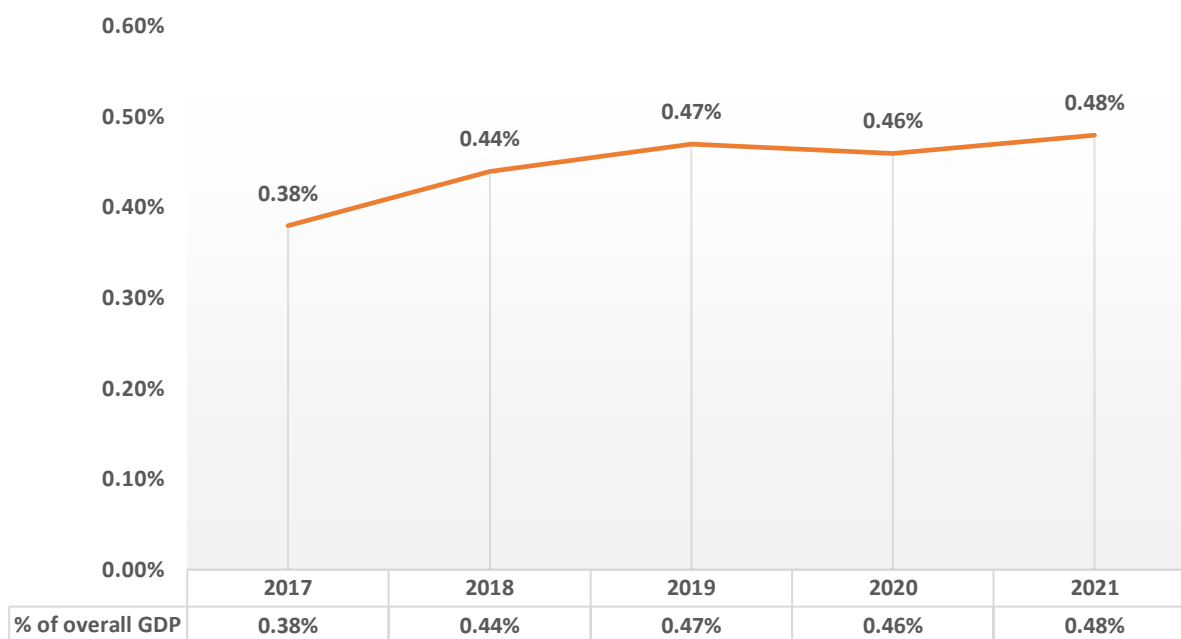
Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

4.1.3 SHARE OF GDP BY SECTOR (HIGHLIGHTING SHARE OF SPONGE IRON / PIPES INDUSTRY)

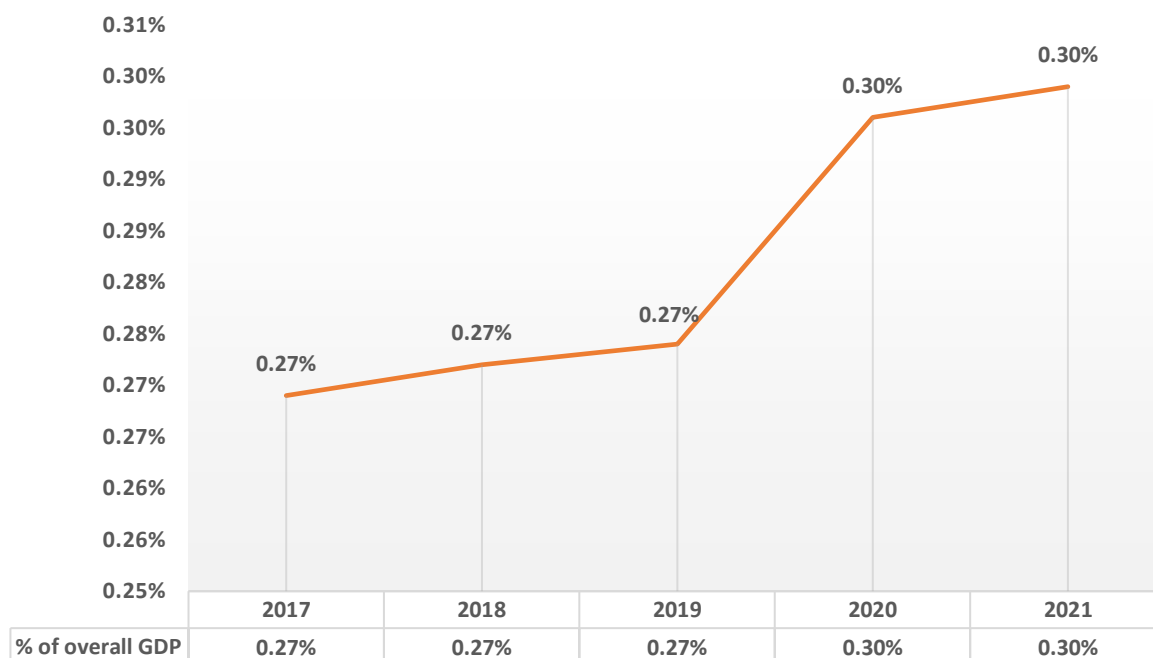
FIGURE 4 SHARE OF INDIAN GDP BY SECTOR



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 5 SHARE OF INDIAN GDP BY SECTOR (SPONGE IRON)


Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 6 SHARE OF INDIAN GDP BY SECTOR (STEEL PIPES INDUSTRY)


Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

Steel sector in India is also experiencing a vital growth and is anticipated to witness high gains in next years. The major reason for the steel pipe market is the rise in demand from the oil and gas industry. The oil and gas sector is expanding, and they are now being found at greater depths than before. The new levels at which the pipes are

being placed are a hostile environment of high temperatures and pressures for the pipes. Enhancement in technology in directional drilling demand high strength and flexible pipes and seamless steel pipes are able to meet the criteria.

Steel pipes are witnessing high market growth and is anticipated to be a major product in forecast timeframe. Growth in the oil and gas industry is leading to an increased demand for the Steel Pipes and Tubes market. Innovations across the oil and gas industry, such as horizontal drilling in the US, are leading to an increase in the consumption of steel pipes because of their ability to access remote locations and deep-water regions. This is further propelling the demand for the market. Development of infrastructure, especially in the developing countries, is leading to the construction of more buildings, and steel pipes are used in making handrails and pipe bollards, for their properties like being able to be formed in many shapes and sizes. Steel tubes offer low or reduced maintenance costs, along with being inexpensive in the first place. This is leading to an expansion in the market of steel tubes.

4.2 OVERVIEW OF STEEL INDUSTRY

4.2.1 OVERVIEW OF GLOBAL STEEL DEMAND AND INDIA'S POSITION IN GLOBAL STEEL INDUSTRY

During the period 2021-2026, the demand for steel would be majorly driven by growth in the construction and automotive sectors. Steel in the form of alloy sheets are used in automotive applications, and beams and pillars are extensively used in construction works. Thus the combination of both would majorly contribute to the global demand for the alloy in the forecast period. Pipes and tubes are manufactured using crude steel; stainless steel are extensively used in manufacturing household appliances and utensils, whereas nuclear infrastructure is built using alloy steel.

Increasing demand from the automotive and the structural engineering sectors, which are the chief consumers of the product in the market is likely to stimulate demand in the future. Moreover, the essential applications of steel in oil & gas sector is anticipated to boost the growth of the market in the upcoming years. The greater tensile strength makes the product more durable and increases longevity. Hence, it finds application in oil storage tanks, street lighting poles, and earth moving equipment.

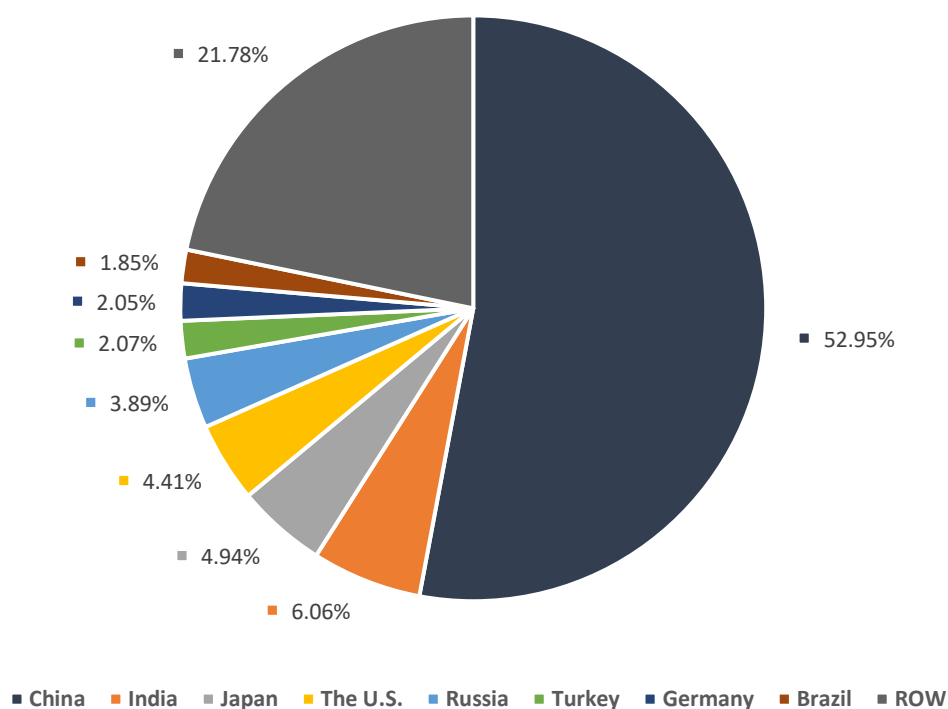
Growing inclination towards green energy trend has also brought new variables to the steel industry. Obligations for anti-dumping tariffs by the U.S. along with the current/upcoming guidelines in China could be a key contributor in the changing dynamics of global steel market. Thus, reflecting fluctuations of steel prices in the near future. China steel industry is targeting new carbon peaks by 2030 and carbon neutrality by 2060, which will drastically reduce steel production capacity.

India is the second largest steel producer globally. The steel consumption in India is widely attributed to the infrastructural and construction industry. Rapid industrialization and urbanization, combined with increased private and government investment in infrastructure will fuel product demand. Properties such as durability, low maintenance, long life, high strength, and reusability propel the demand in the construction of low-rise and high-

rise buildings, sports stadiums, slabs bridge deck, harbors, siding and roofing, offices, security fencing and coastal and flood defenses.

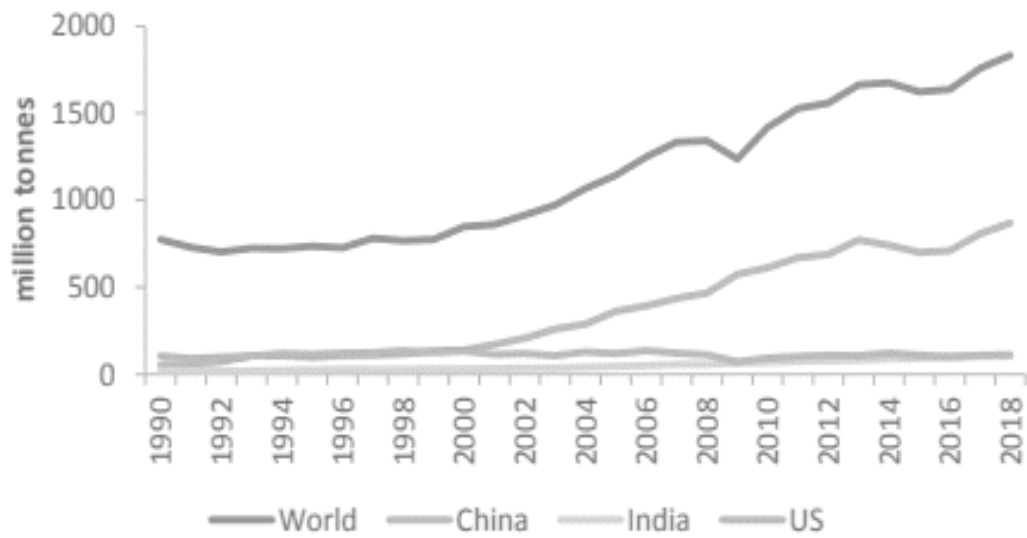
Steel has advantageous properties over other materials such as higher cryogenic toughness, higher heat resistance, higher corrosion resistance, higher ductility, more attractive appearance, higher strength and hardness, and lower maintenance. These properties of the material should develop new opportunities for its use in the structural components of vehicles.

FIGURE 7 GLOBAL STEEL PRODUCTION SHARE, 2021



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

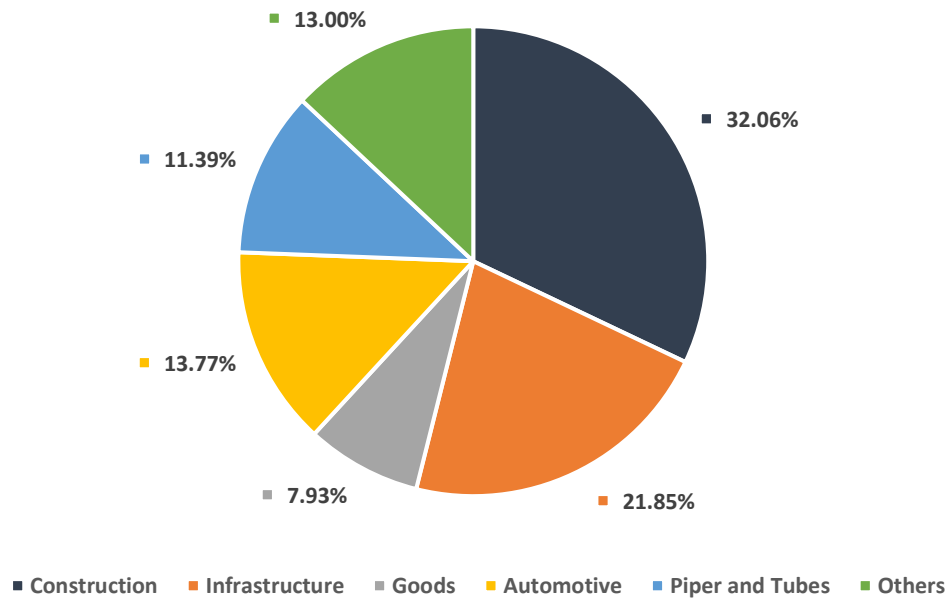
FIGURE 8 GLOBAL STEEL DEMAND, 1990 & 2021



| Volume (Million Tons) | 2020 (Steel Demand) | 2021 (Steel Demand) |
|-----------------------|---------------------|---------------------|
| World | 1641.12 | 1,805.23 |
| China | 818.27 | 900.1 |
| India | 99.72 | 109.69 |
| The U.S. | 72.52 | 79.77 |

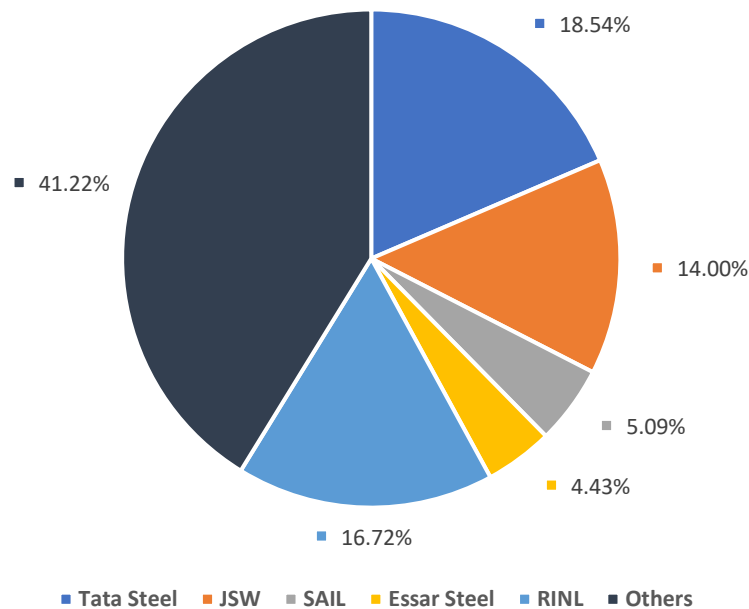
Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 9 INDIA STEEL DEMAND BY SECTOR, 2021 (IN PERCENTAGE)



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 10 INDIA STEEL MARKET BY COMPANY (% SHARE), 2021



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

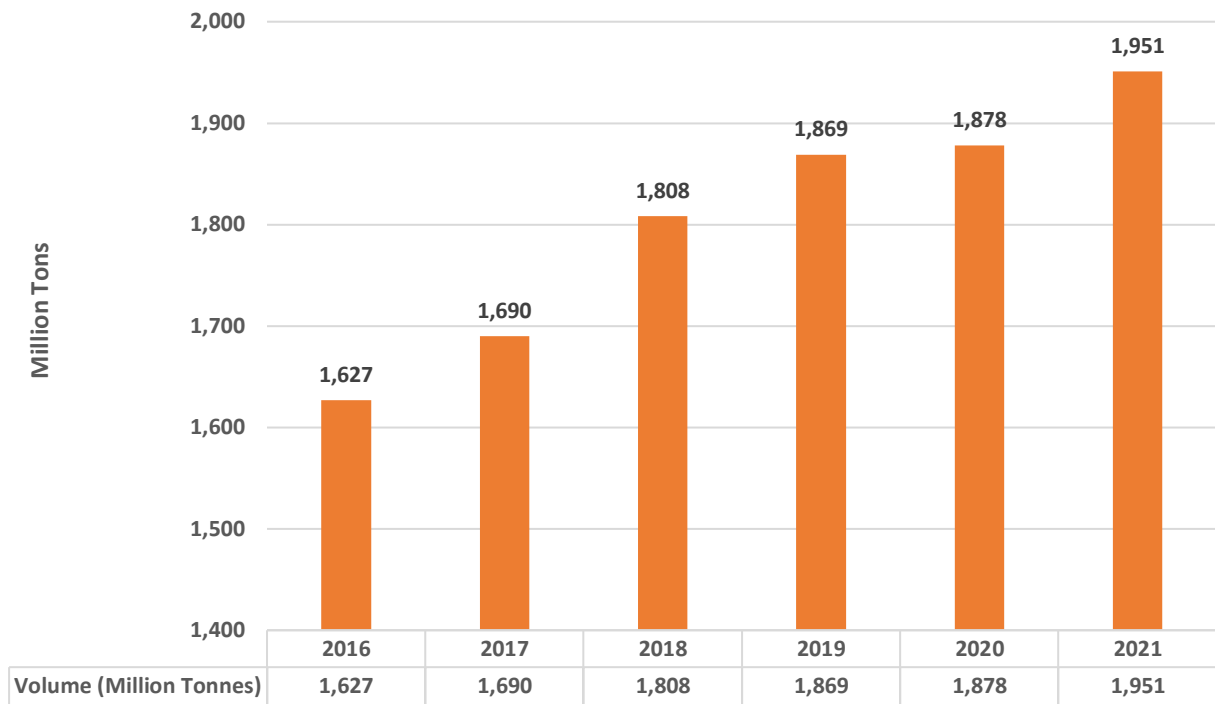
India holds a very vital place in the global steel market. The companies are striving to achieve the untapped market in several avenues to cater to higher market share and investing heavily on improving their product portfolio through research and development initiatives. The government is also helping the corporations through public-private partnerships which would be beneficial on a holistic level for the Indian economy. Orissa, Chhattisgarh, Karnataka, Telangana, and Jharkhand are the predominant production hubs for India.

Rapid urbanization has changed the lifestyle of the people and, in turn, has increased the prevalence of secure infrastructure over a broad aspect, thus, augmenting the demand for the market product. The usage of the use of steel is supported by the Ministry of Steel of the Indian government, as India contributes to the list of top manufacturers of the Steel across the globe, which is creating a demand in the market. Moreover, the government in nations are also supporting the sales of stainless steel, thereby driving the growth of the market. Resuming operations after taking control of the Covid-19 pandemic.

Increasing demand for the product in infrastructure development and automotive production owing to properties, such as resistance to corrosion, strength, and low maintenance, is driving the demand for the Steel market.

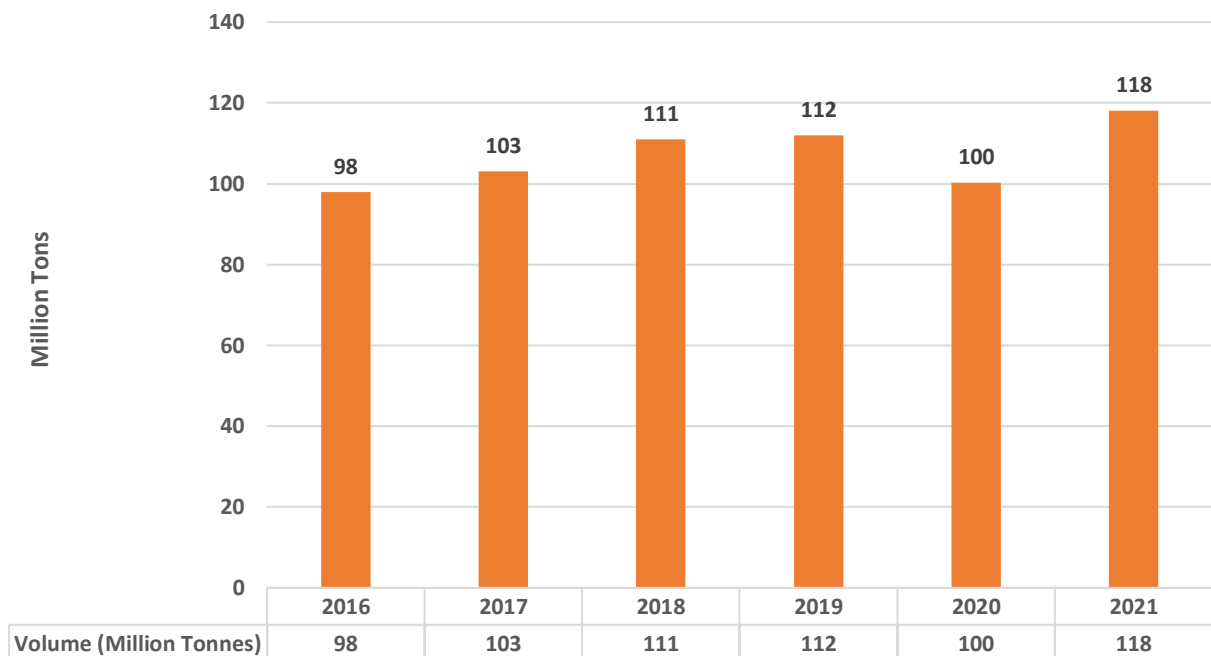
Pre insulated pipes are also gaining popularity, which will drive steel pipe demand in the country. The pre-insulated pipes, also known as bonded pipes or insulated pipes, are utilized for maintaining temperature of fluid present inside. These pipes usually consist of pipe with an insulating layer and an outer covering. Pre-insulated pipes are mainly employed in district heating networks, residential connections, district cooling networks, and bio-energy gas plants. District heating and cooling refers to distribution of heat generated in a specific location for residential as well as commercial needs. In addition to maintaining an equilibrium temperature, these pipes also provide insulation to the media. Pre-insulated pipes offer excellent thermal efficiency, lower maintenance, reduced on-site labor, and improved safety features. Concerns regarding adverse effects of pre-insulated pipes has resulted in shifting preference from synthetic chemicals to bio-based and environment-friendly chemicals. Bio-based chemicals are also cost-effective as compared synthetic ones, as these chemicals are animal- and plant-based. This is expected to create revenue opportunities for players operating in the global pre-insulated pipes market.

FIGURE 11 **WORLD CRUDE STEEL PRODUCTION (MILLION TONS)**



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

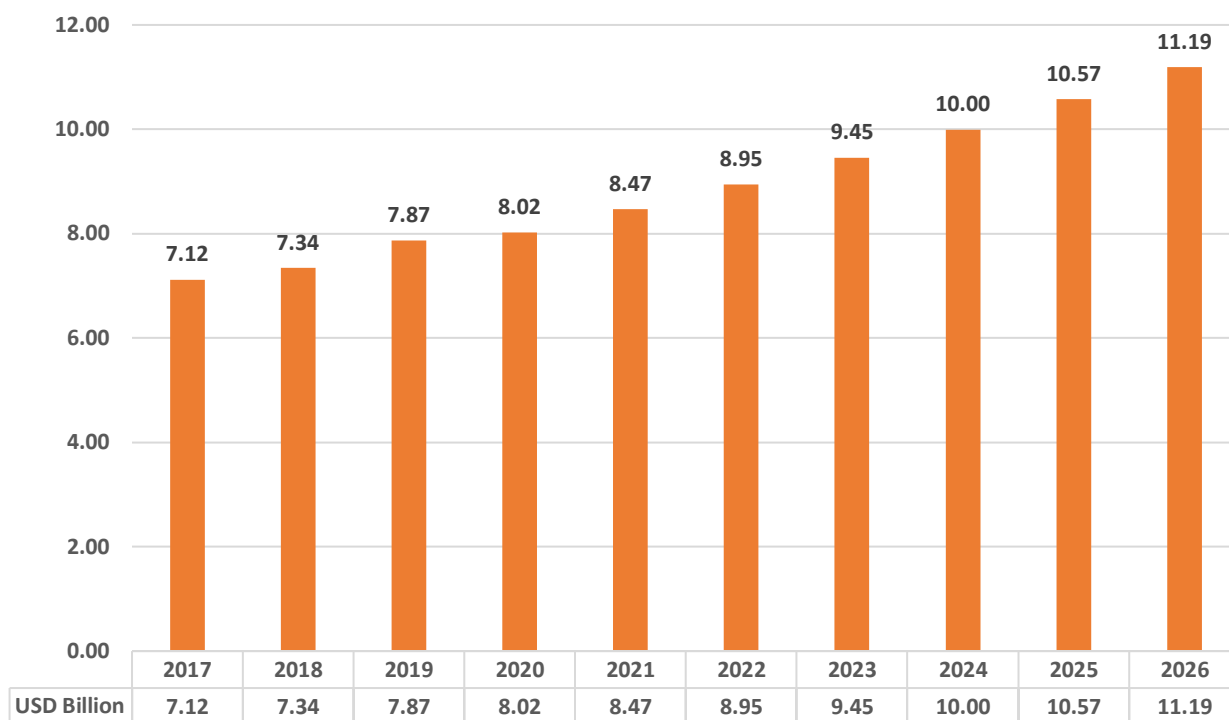
FIGURE 12 **INDIA CRUDE STEEL PRODUCTION (MILLION TONS)**



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

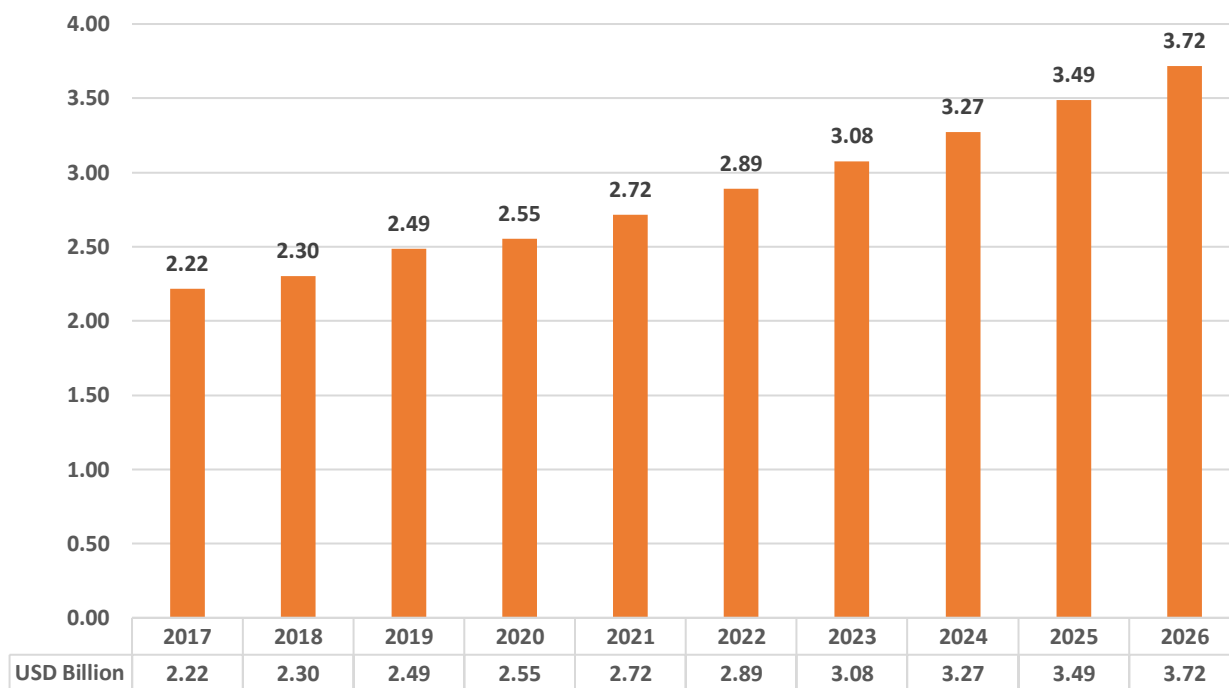
4.2.1.1 SPONGE IRON MARKET SIZE, 2017-2026, USD BILLION

FIGURE 13 INDIA SPONGE IRON MARKET, USD BILLION, 2017-2026



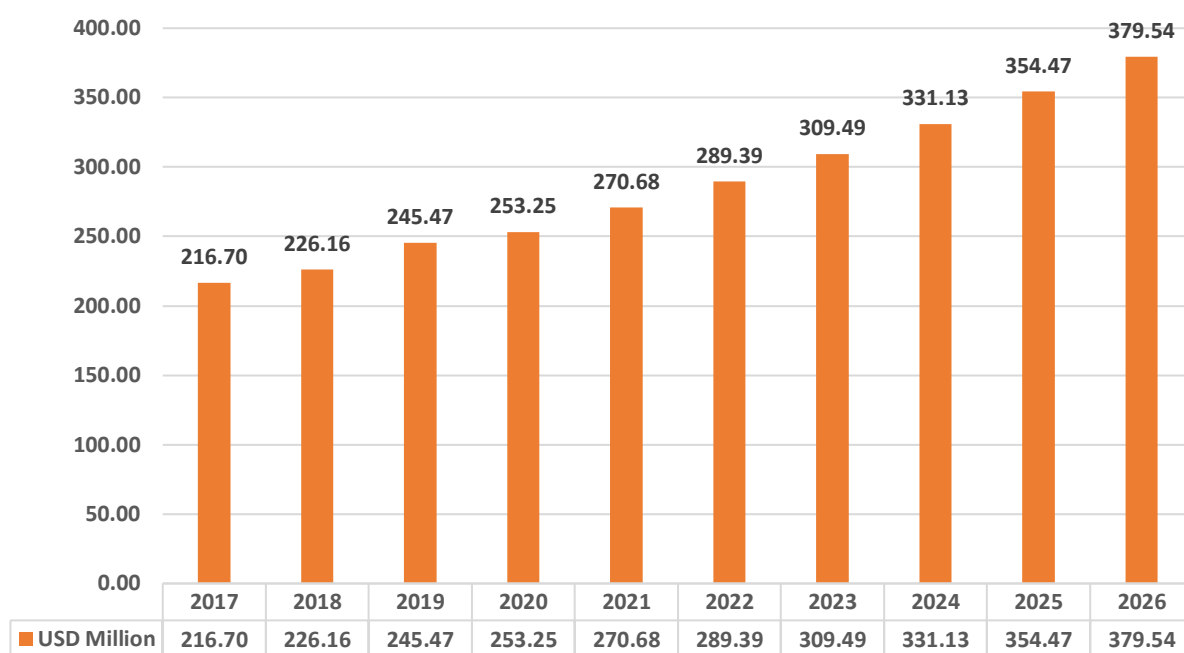
Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 14 SOUTHERN INDIA SPONGE IRON MARKET, USD BILLION, 2017-2026



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

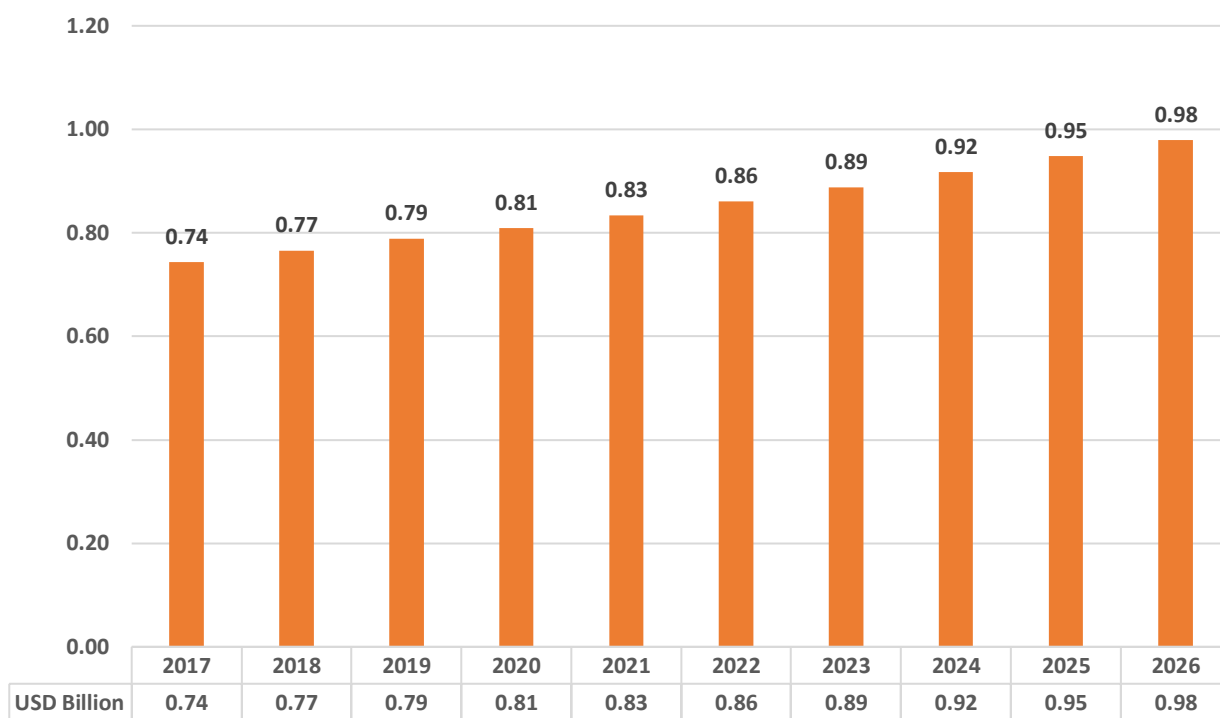
FIGURE 15 **TELANGANA SPONGE IRON MARKET, USD MILLION, 2017-2026**



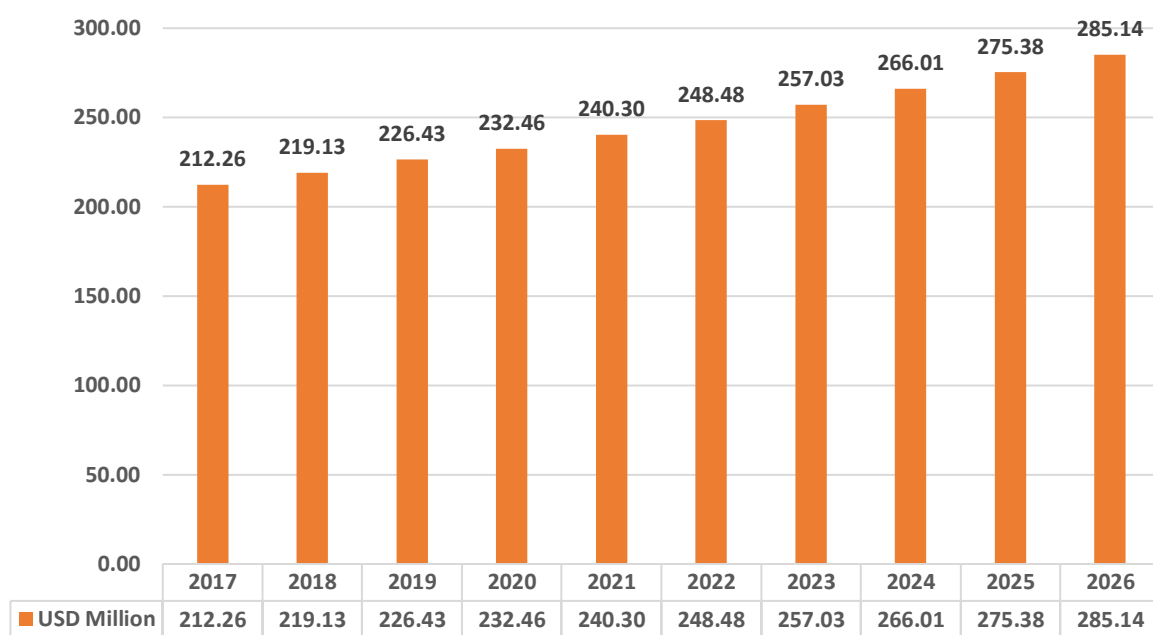
Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

4.2.1.2 MS BILLETS MARKET SIZE, 2017-2026, USD BILLION

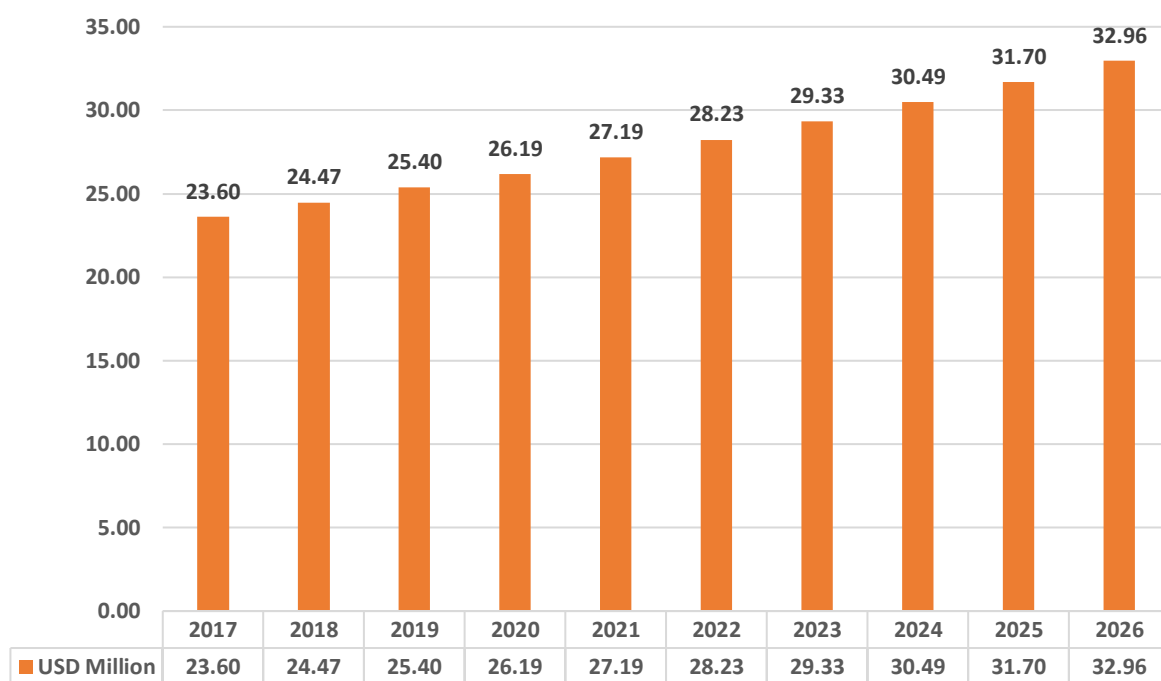
FIGURE 16 **INDIA MS BILLETS MARKET, USD BILLION, 2017-2026**



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 17 SOUTHERN INDIA MS BILLETS MARKET, USD MILLION, 2017-2026


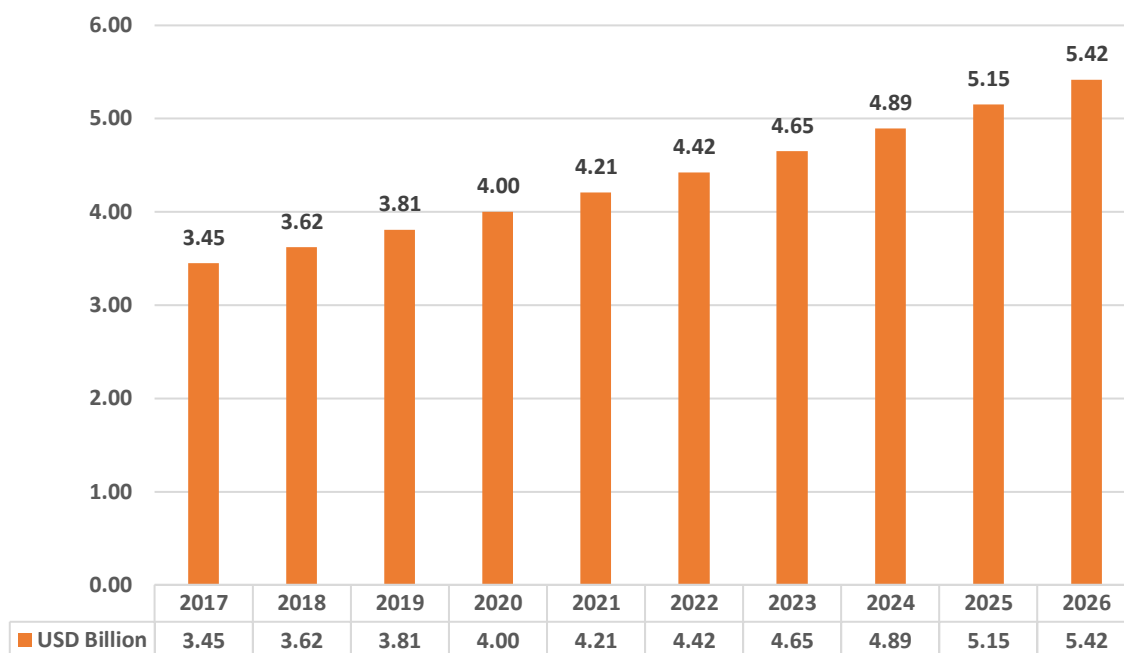
Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 18 TELANGANA MS BILLETS MARKET, USD MILLION, 2017-2026


Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

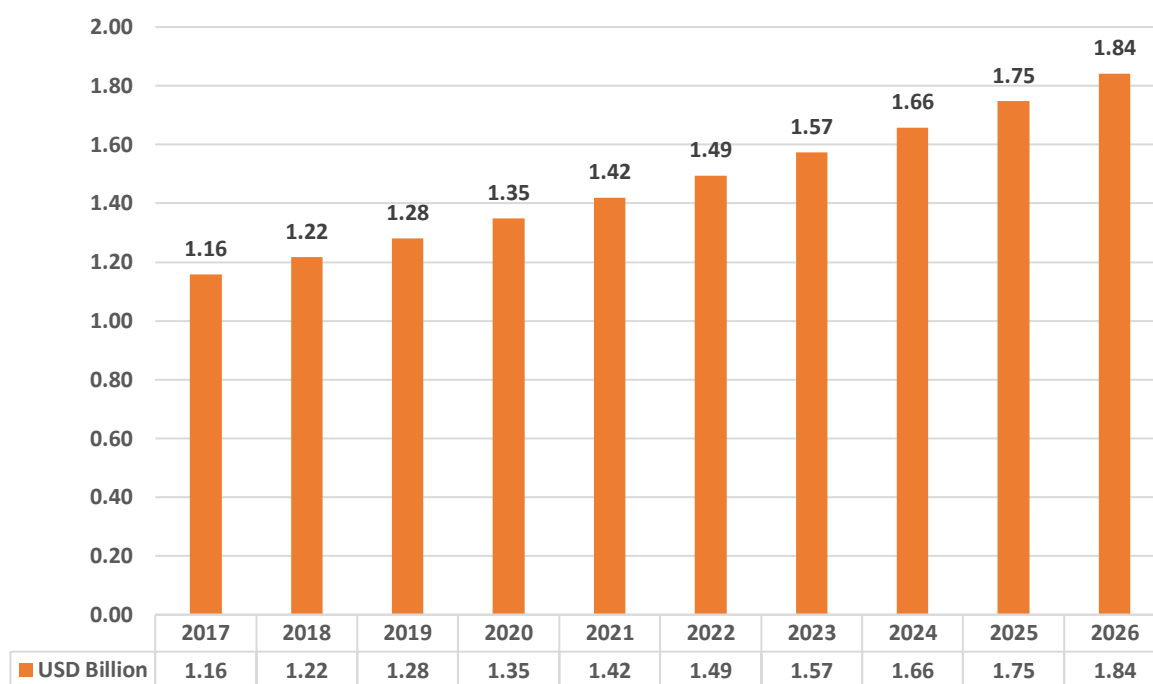
4.2.1.3 HR STRIPS/COIL MARKET SIZE, 2017-2026, USD BILLION

FIGURE 19 INDIA HR STRIPS/COIL MARKET, USD BILLION, 2017-2026

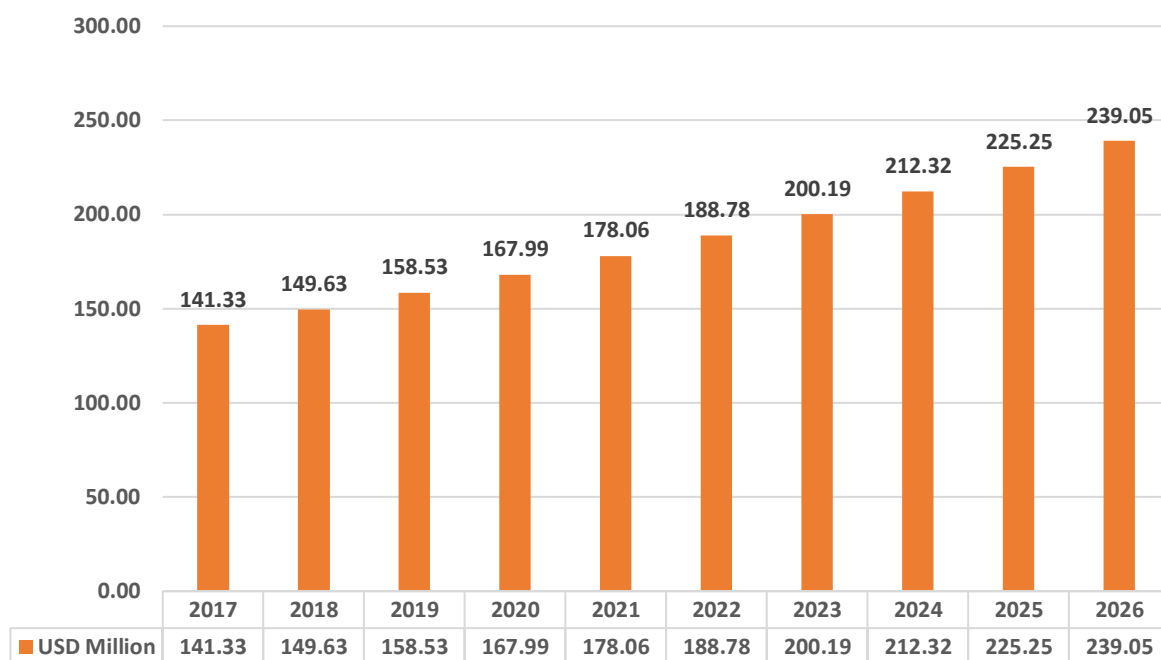


Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 20 SOUTHERN INDIA HR STRIPS/COIL MARKET, USD BILLION, 2017-2026

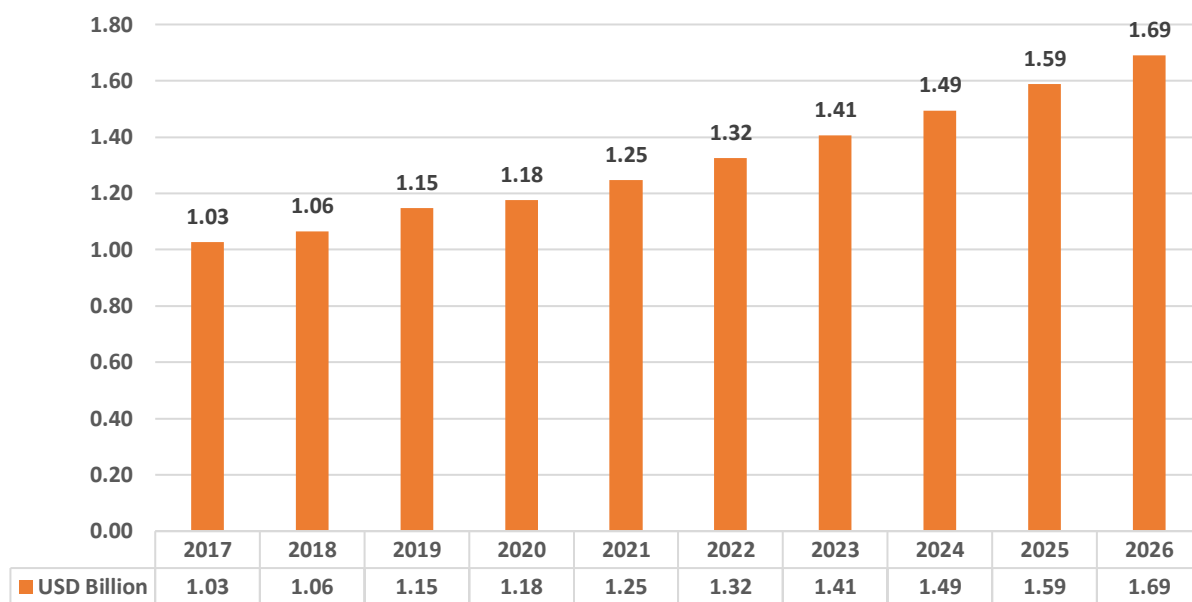


Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

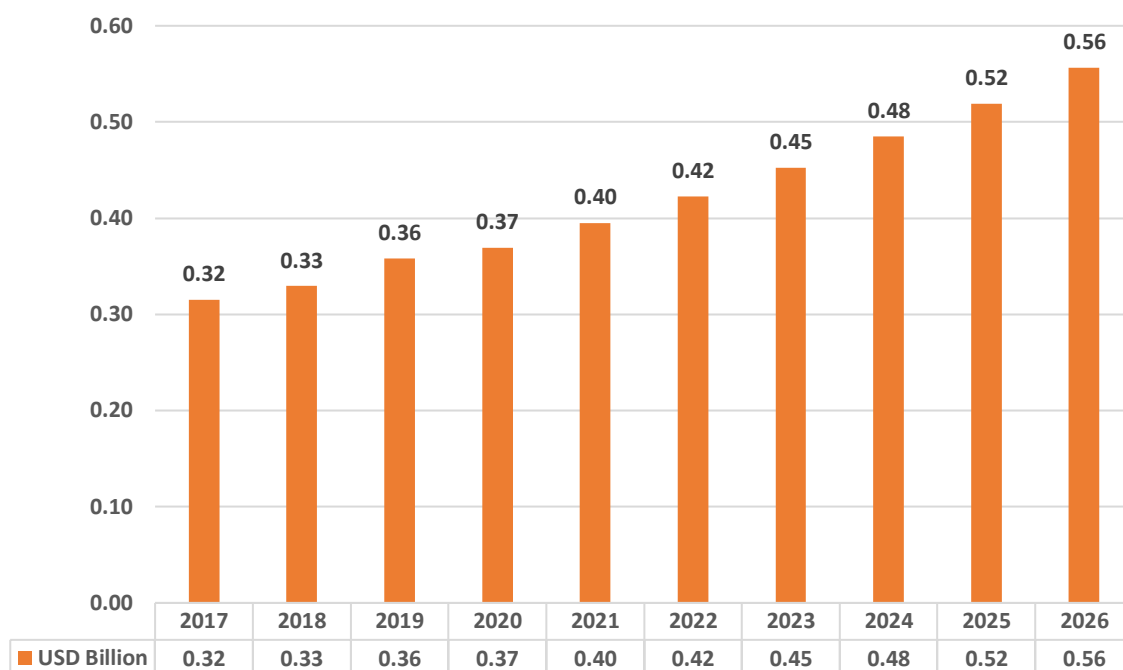
FIGURE 21 **TELANGANA HR STRIPS/COIL MARKET, USD MILLION, 2017-2026**


Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

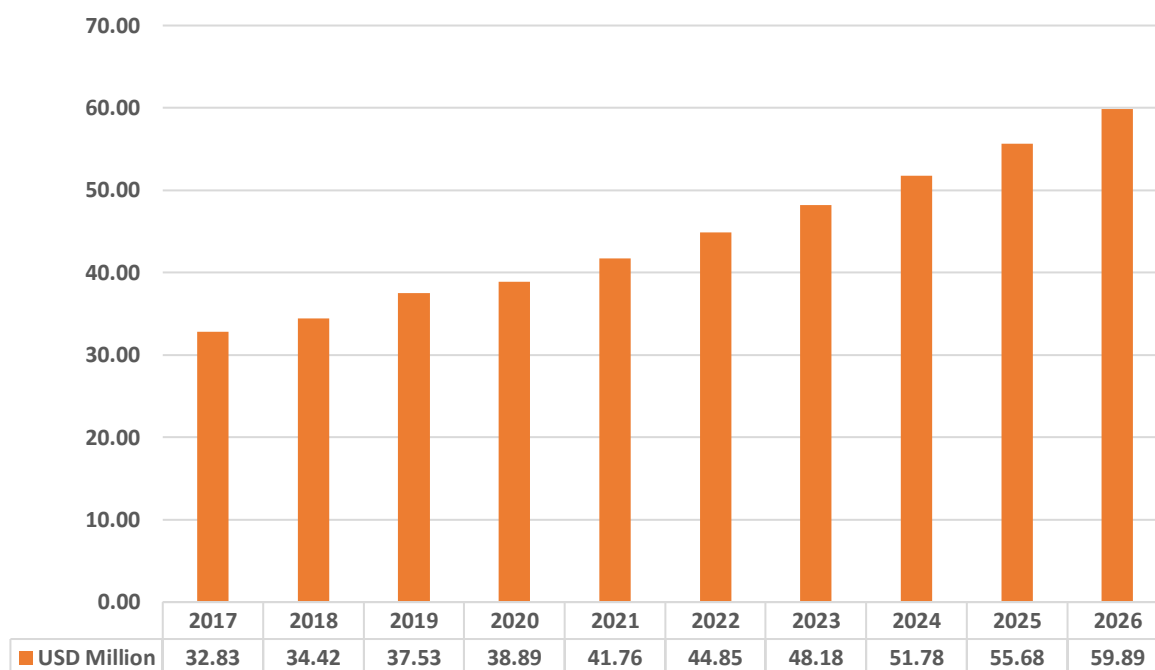
4.2.1.4 MS PIPE / TUBES MARKET SIZE, 2017-2026, USD BILLION

FIGURE 22 **INDIA MS PIPE / TUBES MARKET, USD BILLION, 2017-2026**


Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 23 SOUTHERN INDIA MS PIPE / TUBES MARKET, USD BILLION, 2017-2026


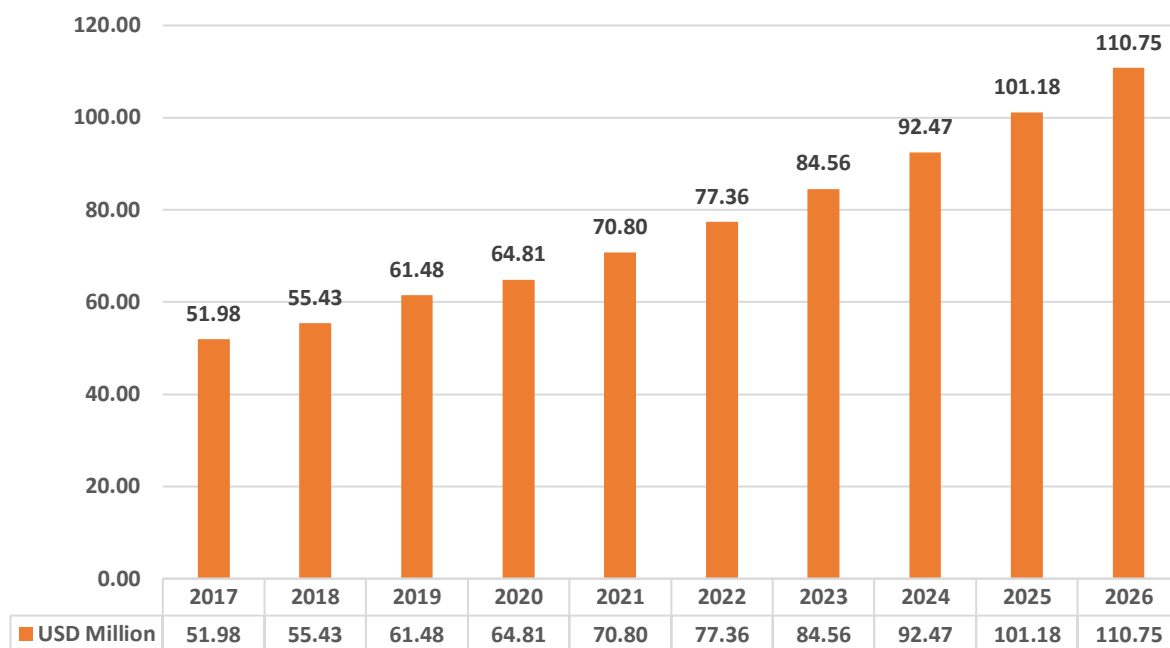
Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 24 TELANGANA MS PIPE / TUBES MARKET, USD MILLION, 2017-2026


Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

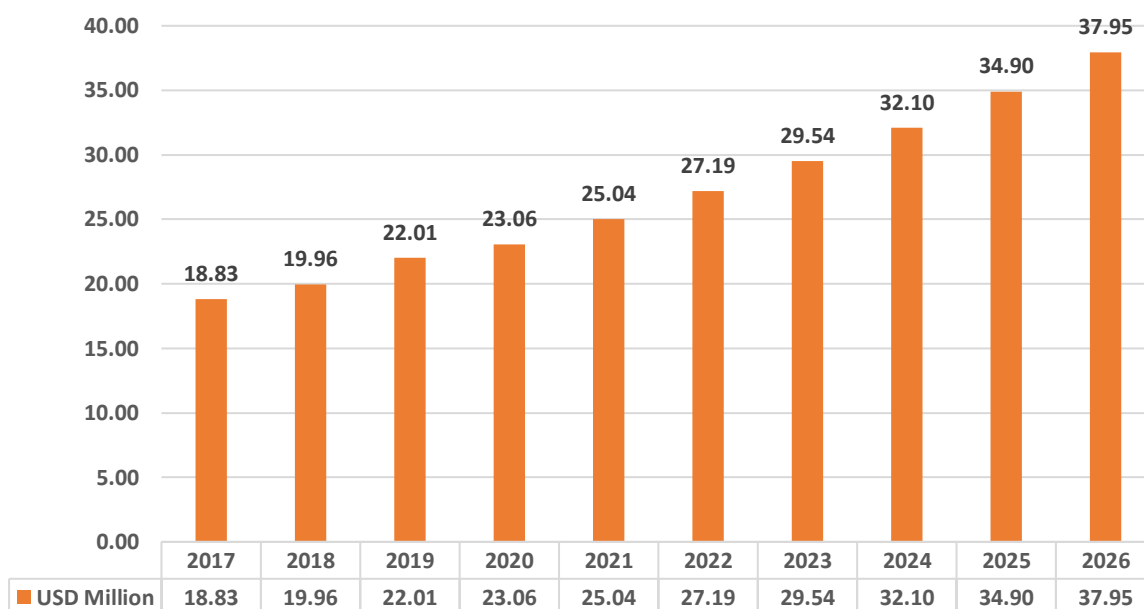
4.2.1.5 GP PIPES MARKET SIZE, 2017-2026, USD MILLION

FIGURE 25 INDIA GP PIPES MARKET, USD MILLION, 2017-2026



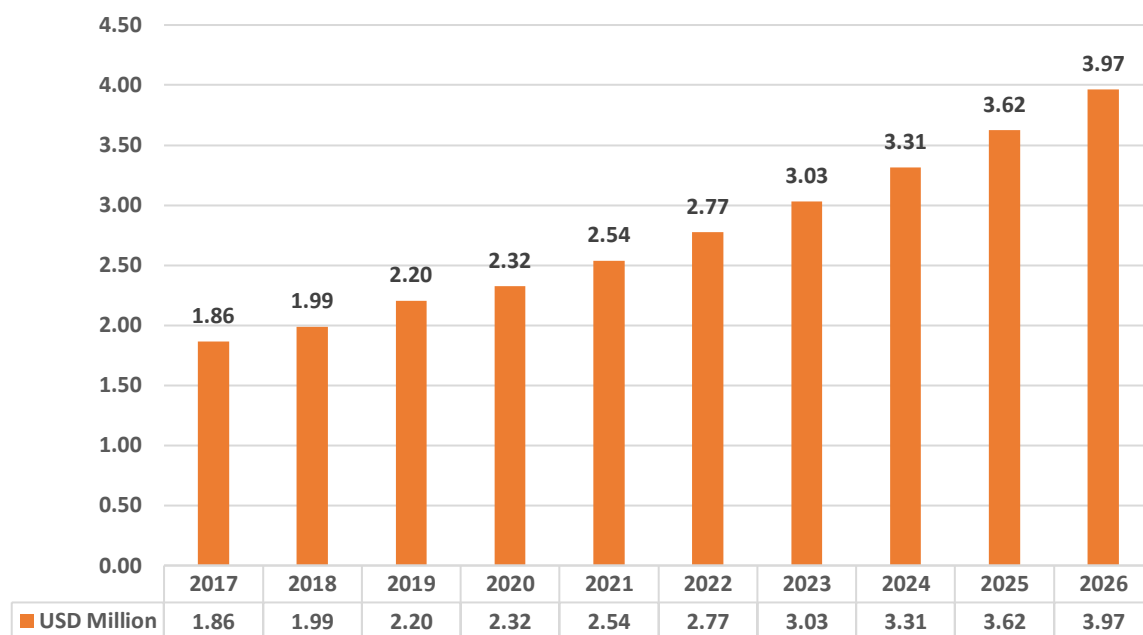
Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 26 SOUTHERN INDIA GP PIPES MARKET, USD MILLION, 2017-2026



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 27 TELANGANA GP PIPES MARKET, USD MILLION, 2017-2026



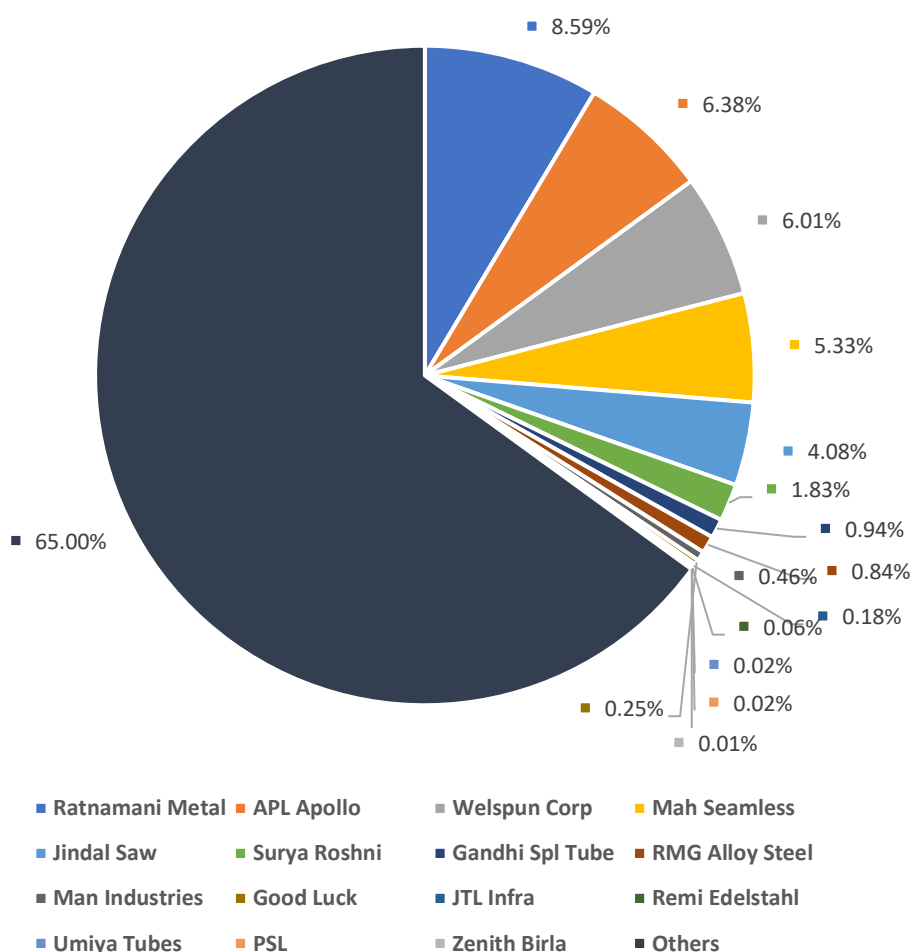
Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

India GP pipe market is anticipated to witness strong growth in forecast timeframe due to its strong performance, rust free nature and corrosion resistant properties. These products are made through process called galvanization, which is used for applying protective coating of zinc in order to provide resistance from corrosion and rusting.

Rapid urbanization in Southern India has resulted in growing demand for GP pipes in residential, commercial and industrial construction, which is anticipated to drive regional product demand by 2026. Government is focusing on infrastructural development in India, which will further escalate product demand due to its reliability and rust free nature. Affordable prices and major end use industries is also driving the GP pipes demand in India and South India. Decreasing Zinc prices is also contributing to the growth of GP pipes due to which manufacturers are focusing on producing new GP products and exploring new opportunity in the market front. Growing awareness of GP pipes in India and especially in the building & construction sector will further prime the industry growth and demand for GP pipes in coming years.

4.2.1.6 INDIA STEEL - TUBES & PIPES COMPANY REVENUE MARKET SHARE, 2020

FIGURE 28 INDIA STEEL - TUBES & PIPES COMPANY REVENUE MARKET SHARE, 2020



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

4.2.2 SCAFFOLDING AND TUBE ACCESSORIES AND FITTINGS

4.2.2.1 APPLICATION SCOPE

- These products are also known as staging
- These are temporary structures used in the buildings construction for facilitating the crew members
- Material used
 - Tubes
 - Couples
 - Lightweight tubes
- Tubes used are made of steel or aluminum
- These material are used producing fittings and accessories
- The pipes used are lightweight for ease in fitting & carrying

4.2.3 METAL INDUSTRY AND ITS IMPACT ON PIPE INDUSTRY

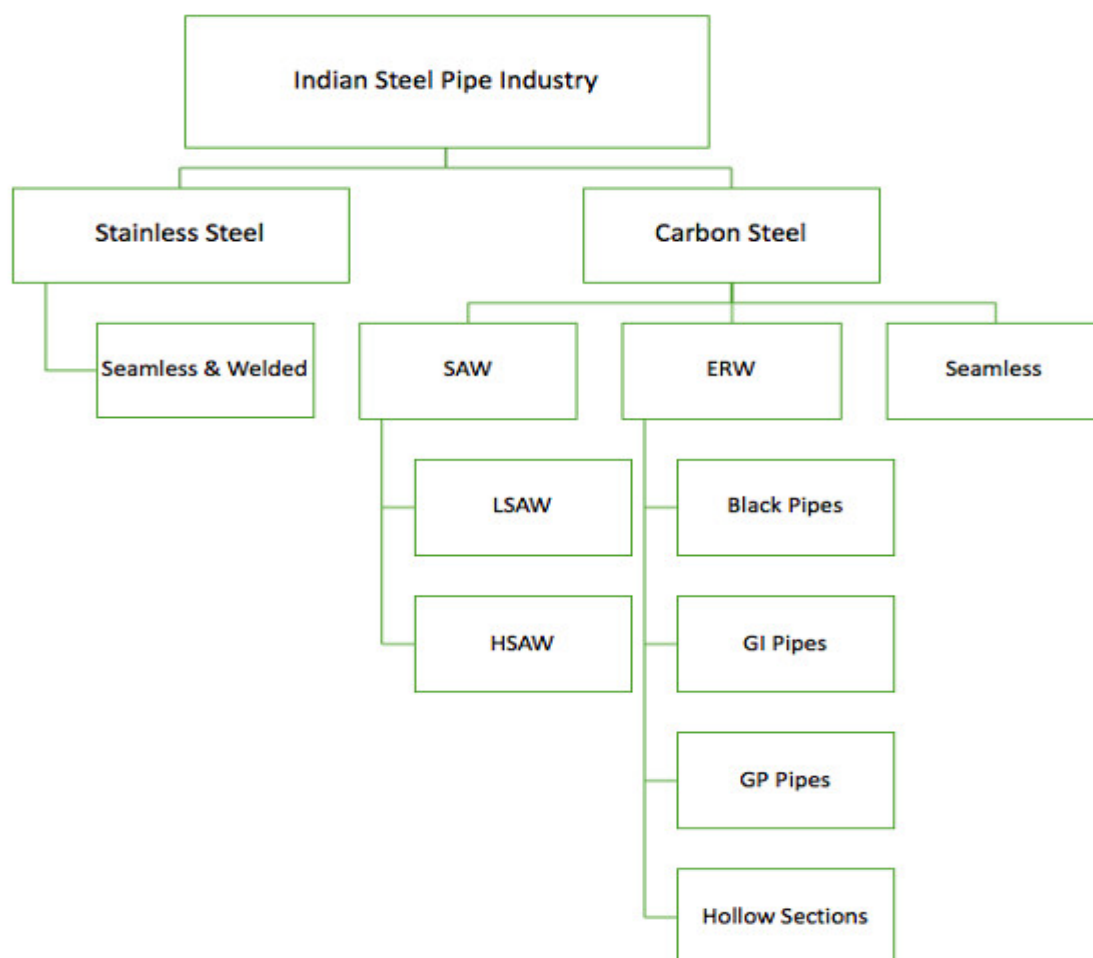
Metal pipes are used in numerous industry including:

- Oil & gas
- Petrochemicals
- Power
- Water Supply
- Sanitation
- Irrigation
- Construction

India has become an important market in for domestic consumption as well as export of steel pipes globally.

India is a top 3 steel pipe manufacturing country

FIGURE 29 INDIA STEEL PIPE INDUSTRY



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

4.2.4 MARKET ANALYSIS INDUSTRY FOR INDIA AND REGIONAL

4.2.4.1 MARKET DRIVERS

- Infusion of funds for capacity creation and modernization
- Indian Infrastructure initiative by the Government of India to support the GDP Growth roadmap
- Growing oil & gas exploration in the country
- Urban infrastructure programme under Public Private Partnership
- Growing demand for intermediate products

4.2.4.2 MARKET RESTRAINTS

- Threat of alternative from other materials
- Over dependency on domestic consumption
- Fluctuating raw material prices
- High capital requirement for new entrant
- Lack of Technology
- Shortage of metallurgical coal

4.2.4.3 COMPETITIVE TRENDS IN THE HOME MARKET

- Increase in global manufacturing activity
- Resilient growth driven by supply side reforms
- Consumption led growth influenced by Government policies and investments

4.2.4.3.1 FACTORS THAT MAKE INDIA AN ATTRACTIVE REGION FOR STEEL PRODUCTS

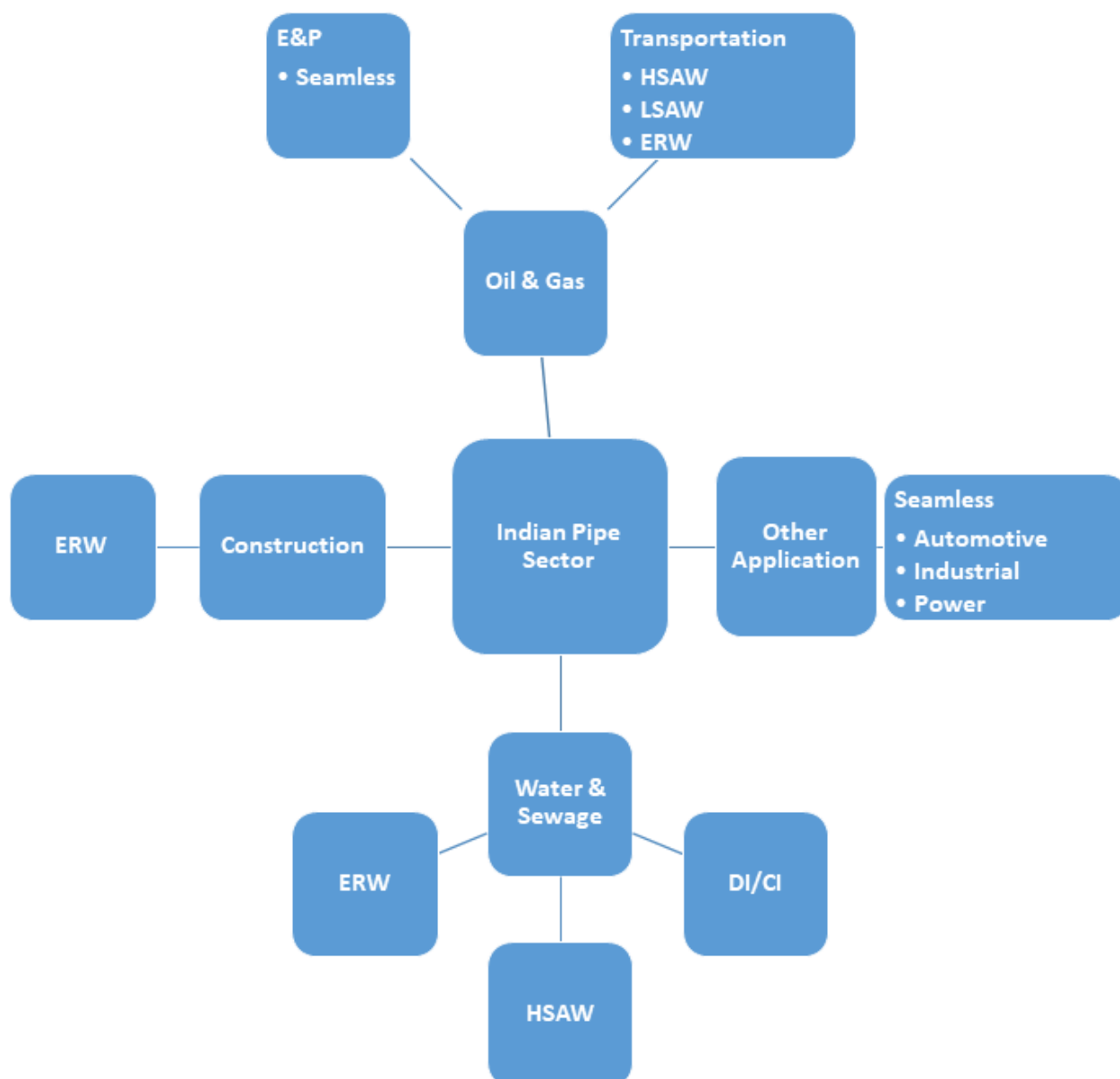
- Low per capita consumption
- Declining steel demand in China can benefit India to become a leading steel products producer and consumer
- Positive outlook for automotive and construction sector
- Healthy growth of 7% to 8% is anticipated in the next few year for steel sector in India
- Make in India and smart city implementation is further influencing the demand in India

TABLE 5 **PRODUCT INSIGHTS**

| Product | LSAW | HSAW | ERW | Seamless |
|-----------------------|--|---|--|--|
| Size | 16" to 50" diameter | 18" to 120" diameter | 0.5" to 22" diameter | 0.5" to 14" diameter |
| Key Raw Material | Steel Plates | HR Coils | HR Coils | Steel Billets |
| Manufacturing Process | Longitudinally submerged arc welding of steel plates | Spirally Welding HR Coils | Hot Rolled steel coils using electrical resistance welding process | Piercing ingots/ billets of steel at high temperatures |
| Difference | High Pressure conditions | Low Pressure conditions | Limitations in size, thickness and grade | High Pressure conditions |
| Application | Oil & Gas Transportation | Oil & Gas/Water Transportation | Oil & Gas/Water Distribution, Metros, Airports, Malls | Petroleum , Exploration, General Engineering., Boilers |
| Companies | Jindal Saw, Welspun Corp, Man Industries | PSL, Jindal Saw, Welspun Corp, Man Industries | Welspun Corp, Maharashtra Seamless, Apl Apollo, Zenith Birla | Jindal Saw, Maharashtra Seamless, Ratnamani |

Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

FIGURE 30 PIPE TYPES & APPLICATIONS



Source: Indian Steel Association, Steel.Gov, JSTOR, Bureau of Indian Standards, CCI, NCAER, Company Annual Report, Primary Interviews, Reports and Data

4.3 KEY DEMAND DRIVERS

Asia Pacific region is expected to be the largest consumer of carbon steel during the forecast period, and this is attributed to the fact that countries in this region like China, India, and Southeast Asian countries are focusing more on infrastructural development.

Rapid urbanization has changed the lifestyle of the people and, in turn, has increased the prevalence of secure infrastructure over a broad aspect, thus, augmenting product demand. Ministry of Steel of the Indian government is laying emphasis on utilization of steel for industrial purposes, as India contributes to the list of top manufacturers of steel across the globe, which is creating a demand in the market. Moreover, the government in nations such as China, Japan, and the United States are also supporting steel sales, thereby driving the market

growth. Resuming operations after taking control of the Covid-19 pandemic, China announced an increase in the export rebates for cold-rolled steel, stainless steel strip, and other products from present 10.0% to 13.0% for a variety of steel products. This may prompt Indian steelmakers to seek higher border tariffs on imports.

5 HARIOM PIPE INDUSTRIES LIMITED (HPIL)

- The company has a strong hold on steel products with wide distribution network across India and especially in South and Western India. HPIL has able to build a strong brand name for itself with the steel products under the brand name of Hariom which has a strong brand recall value, thereby resulting in strong sales across the country.
- Wide products to choose from gives company an advantage to build consumer base in different finished steel products including:
 - Sponge Iron
 - HR Strips
 - MS Section
 - MS Pipes & Tubes
 - Scaffolding
- The company also caters to diverse end-use industries, which also results in strong sales as infrastructure & agriculture sector are witnessing strong growth. The company caters to end-use industries including:
 - Housing
 - Infrastructure
 - Agriculture
 - Automotive Solar
 - Fabrication
 - Engineering
- The company is presently dealing with over 200 distributors and dealers in:
 - Telangana
 - Andhra Pradesh
 - Karnataka
 - Tamil Nadu
 - Kerala
 - Maharashtra
 - Dadra & Nagar Haveli & Puducherry
- HPIL also focuses on backward integration of its production line by producing sponge from steel and forward integrating it into finished products. The company's main focus is to:
 - Use sustainable steel producing methods
 - Reduce wastage through automation and improve power consumption metrics
 - Increase focus on domestic consumption
 - Use renewables more frequently
 - Reduce freshwater usage and focus on recyclability

Steel is one of the most used products in India and the demand is increasing strongly on a year to year basis. The high market value of the product has resulted in competition being very high and each company is looking to focus on increasing its market share in steel and its finished products.

5.1 OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 16 for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” on page 22 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in “Risk Factors”, “Industry Overview”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 22, 86, 174 and 257, respectively.

Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements for Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019 included in this Draft Red Herring Prospectus. For further information, see “Restated Financial Statements” on page 174 of this Draft Red Herring Prospectus. Unless the context otherwise requires, in this section, reference to “we”, “us”, “our”, “Company” or “Our Company” refers to Hariom Pipe Industries Limited.

5.2 OVERVIEW

Hariom is an integrated manufacturer of Mild Steel (MS) Pipes, Scaffolding, HR Strips, MS Billets, and Sponge Iron. We use iron ore to produce Sponge Iron which is then processed across various stages to manufacture our final products viz. MS Pipes and Scaffolding making our manufacturing process cost-effective.

We cater to the southern and western Indian markets for our products. Our MS Pipes are marketed and sold in these geographies under the brand name “Hariom Pipes”. Substantial portion of the Sponge Iron, MS Billets and HR Strips produced by us are used for captive consumption in the manufacturing MS Pipes and Scaffolding.

We manufacture MS Pipes and Scaffoldings of more than one hundred fifty (150) different specifications and cater, directly and indirectly, to customer requirements in various sectors such as housing, infrastructure, agriculture, automotive, power, cement, mining, solar power and engineering.

Our integrated plant at Mahabubnagar District in Telangana (Unit I) manufactures finished steel products from iron scrap and Sponge Iron and our other plant at Anantapur District, Andhra Pradesh (Unit II) exclusively manufactures Sponge Iron. Unit II is located near Bellary, which is one of the hubs in South India for iron ore production. The iron ore required to produce Sponge Iron at Unit II is mostly procured through the online bidding process. Most of the Sponge Iron produced at the Unit II is transported to the Unit I and used as a raw material for manufacturing MS Billets, HR Strips, MS Pipes and Scaffolding. The manufacturing of Sponge Iron at our

Unit II has reduced our dependence on external sources for raw materials since its acquisition in September, 2020. The integration of Unit I and II has optimized our operations and profitability through backward integration which helps with efficient logistics, inventory management, procurement, energy savings and quality control.

Our quality control team led by qualified chemists and engineers ensure that our raw materials as well as end products are tested on all quality parameters to ensure that we are compliant with the required market standards.

We mainly sell MS Pipes through more than two hundred (200) distributors and dealers. We also sell MS Pipes and Scaffoldings to certain developers and contractors directly as B2B sales. We believe that our key differentiator is our range of product specifications in terms of thickness, length, quality, availability and customised products.

Our Promoters Mr. Rupesh Kumar Gupta and Mr. Sailesh Gupta are third generation entrepreneurs and individually have more than a decade of experience in the iron and steel industry. They have been instrumental in the growth and management of our Company.

Some of our financial details for the Fiscal 2021, Fiscal 2020 and Fiscal 2019 are set out below

| Particulars | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|----------------------|-------------|-------------|-------------|
| Total Income | 25,482.31 | 16,115.05 | 13,391.56 |
| EBITDA | 3,496.72 | 2,385.91 | 1,734.85 |
| EBITDA Margin (in %) | 13.72% | 14.81% | 12.95% |
| PAT | 1,513.20 | 790.83 | 802.00 |
| PAT Margin (in %) | 5.94% | 4.91% | 5.99% |

5.3 OUR STRENGTHS

Integrated nature of our operations

We use iron ore to produce Sponge Iron which is then processed across various stages to manufacture our final products viz. MS Pipes and Scaffolding making our manufacturing process cost-effective. The integrated nature of operations is one of the major strengths and differentiators of the Company. All intermediate products required for the manufacturing of our final products are produced in-house viz. Sponge Iron, MS Billets and HR Strips. Our finished product from each of our process acts as an input for the next process and provides flexibility in alteration of our product mix as per market demand and supply, market price and the available gross margins. For e.g. our induction furnace plant output i.e. MS Billets can be segregated and may be sold independently or may be provided as an input for our rolling mills and further the output of our rolling mill i.e. HR Strips can be sold independently as well as used as an input for manufacturing MS Pipes. We believe that our ability to change the product mix as per market demand and supply dynamics gives us the flexibility to serve a wider spectrum of customers across various sectors. In addition to the seamless and flexible operations, integration of our production process provides us a cost advantage over our competitors.

Environment friendly manufacturing process

We believe that environmentally friendly manufacturing is not an option, but a necessity in world today. Sticking to this belief, we consciously preferred and installed the hot charging process of manufacturing our products as it significantly reduces the usage of coal and power. We have synchronized our manufacturing processes to ensure smooth transition from one process to the other including environmental considerations. For example, we for shifting raw materials inside our Unit I we have laid down rail trolley system to eliminate the usage of diesel trucks and other polluting vehicles.

We have installed pollution control equipment at our smoke emanating chimney's that collect the dust particles which are then stored in filter bags for disposal. These filter bags are sold to cement and other industries for their operations. We have also planted over 3,000 trees in and around our manufacturing units and installed drip irrigation to maintenance of the plantation.

As regards water conservation and treatment, we have made the provision for rainwater harvesting with pits in both Unit I & II and have also installed a RO Plant having a capacity of 10,000 liters per hour. We recycle the water used in our manufacturing process to minimize wastage and water pollution.

Strategic location of manufacturing Unit

Unit I is located around seventy (70) kms from Hyderabad in the Mahabubnagar District, State of Telangana and close to Jadcherla industrial area. This proximity enables ease of logistics, power, water supply and raw materials for our operations in Unit I. Skilled personnel for Unit I also come from Hyderabad. Unit II is located at Anantapur District, Andhra Pradesh which is around eighteen (18) kms from Bellary, which is one of the hubs in South India for iron ore production. The connectivity between Unit I and southern markets provides the benefits of logistics considering accessibility and proximity.

Cost advantage in manufacturing our products.

Our Company has established a manufacturing process which keeps costs low, leading to a competitive price advantage as compared to others in the industry. We have synchronized our processes in such a manner that one product follows the other without any break leading to costs and time efficiencies.

We have 32 KVA dedicated feeder for our furnace at our Unit I which makes us eligible for obtaining private power from IEX through the online bidding process, against our contracted load of 9,999 KVA with TSSPDCL with fixed power cost. In peak season for agriculture where there is shortage of supply of power from TSSPDCL, we have the alternative facility of receiving uninterrupted supply of power from IEX at competitive rates.

We have installed multiple operations at a single location i.e. Unit I where we manufacture the entire range of our products viz. MS Billets to Mild Steel (MS) Pipes and Scaffolding. The hot charging process installed in our Unit I enables the MS Billets produced to be directly fed into the rolling mill for producing HR Strips leading to savings in the cost of coal and power. Further, by using a crusher we crush the slag and extract iron content from the slag which is again recycled in furnaces for producing MS Billets. Further,

Competitive pricing of our products

Our Company is able to face competition from other industry players effectively as its products are a result of backward integration which leads up to the Sponge Iron stage of manufacturing. Backward integration has its own cost and savings advantages which our competitors may be lacking giving us a competitive advantage as to price. In addition to the pricing advantage, we have also built in our manufacturing process some flexibility as to thickness, length and quality of our products which enables customisation leading to better margins for our products.

Due to the flexibility in manufacturing a range of products having specific thickness, length and quality, the demand of our products is higher as compared to our competitors who manufacture and sell standard industry sizes or dimensions of products.

Experienced & Qualified Team.

Our Promoters and senior management team is well experienced in this industry both from marketing and distribution of products in this sector. Our Promoter Mr. Rupesh Kumar Gupta has been the main guiding force behind the growth and business strategy of our Company and has more than a decade of experience in the iron and steel industry. Our Promoter Mr. Sailesh Gupta also has over a decade experience in iron and steel industry and is actively involved in day to day business, administration and marketing of the Company. We believe that our management team's experience and their understanding of the industry will enable us to continue to take advantage of both current and future opportunities. A large number of our senior management personnel have worked with us for a significant period of time, resulting in effective operational coordination and continuity of business strategies. They have led the organization through acquisitions, development of new systems and components etc. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Section titled "Our Management" beginning on page 152 of this Draft Red Herring Prospectus.

5.4 OUR STRATEGIES***Expand our geographical network.***

Our Company is presently serving the markets of Southern and some parts in Western India. Our distribution channels developed over the years have been critical to our growth. We intend to continue developing and nurturing existing markets and creating new distribution channels in under and non-penetrated geographies. We aim to further develop our domestic sales networks in those territories where there are lower transportation costs having a significant demand of our products, where we can sell at price-points that can effectively offset higher transportation costs.

Organic growth by expansion of our manufacturing capacity.

Our Company has embarked on a phase of growth to build scale and expand its portfolio of value-added products. From the Net Proceeds of the Issue, we shall be deploying funds for expansion of our MS Pipe manufacturing

capacity by setting up of two (2) additional pipe mills adjacent to our existing Unit I. This expansion will increase our capacity from the present 84,000 MTPA to 1,32,000 MTPA. We will also be expanding our Furnace Unit capacity which will enhance our production capacity to the extent of 1,04,232 MTPA from the existing capacity of 95,832 MTPA. Our Company in September 2020 acquired the Sponge Iron manufacturing facility i.e. Unit II as a part of our backward integration initiatives. We will continue to explore both backward and forward integration initiatives to achieve the goal of becoming an end-to-end and cost-effective manufacturer of our products.

For further details please see the Section titled “*Objects of the Issue*” beginning on page 73 of this Draft Red Herring Prospectus.

Upgrading our existing manufacturing facilities.

Our Company constantly endeavours to improve its productivity levels by optimum resource utilization, improvement in manufacturing process, skill up-gradation of our workers, modernization of machineries to achieve better asset turnover. We will continue to further improve our manufacturing processes to identify the areas of bottlenecks and correct them. This would help us in improving efficiency and putting resources to optimal use. We have a team of chemist and engineers who strive to improve the production methodologies by conducting experiments and creating innovative prototypes to enhance our manufacturing processes.

Expanding our product range to add more value-added products.

MS Pipes and Scaffoldings are the end products that are manufactured from the conversion of Sponge Iron to HR MS Billets and HR Strips. We provide a range of product specifications in MS Pipes and Scaffoldings in terms of thickness, length, quality, availability, and customised products. We intend to further enhance our value proposition by manufacturing value added products which have better margins and wider markets. Certain value-added products require a certain modifications and extensions to our existing lines which are in the development phase. Some value additions to our existing products include the following:

- Rust Free MS Pipe: These are anti rust oil coated MS Pipes which prevent rusting of MS Pipes.
- End Facing of MS Pipe: This process provides a softer finish to the MS Pipe thereby avoiding injuries due sharp edges
- Packaging: We use packing strips/tapes for packing our MS Pipes to enable easy movement from one place to another.

We believe that such value additions further enhance the quality and sale of our products.

Increasing Operational efficiency

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase our operational output through continuous process improvement, QC / QA activities, customer service, consistent quality and technology development. Alignment of our people to ‘process improvement’

through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread amongst our employees.

Our products and usage:

Sponge Iron:

Sponge iron is a metallic product produced through direct reduction of iron ore in the solid state. It is a substitute for scrap and is mainly used in making steel through the secondary route. The process of sponge iron making aims to remove the oxygen from iron ore. The sponge iron is a superior substitute of steel scrap for different steel/iron based items like TMT bars, D.I Pipes (Ductile Iron Pipes) and so forth. Sponge Iron is likewise an appropriate material for utilizing as a coolant in LinzDonawitz (LD) converters of the integrated steel plants.

MS Billets:

Raw steel cannot be of use while in its pure form, thus it has to be cast into shape. The freshly made steel, which is still in the form of a metal bar or rectangle, is called billets. Billets, or ingots, are not of practical use until they have been formed into more functional shapes and sizes. While they have already been put in the furnace, they still require a series of shaping and moulding procedures such as hot and cold working, milling and cutting before they are sold in for different applications like round bar, flat bar, angle plate, spring steel, wire rod, D-bar, Hot/Cold Rolled Strips/ Coil.

HR Strips:

HR Strips refers to pieces of iron or steel that may be forged into long, narrow strips. HR Strips are typically used in the manufacture of various types of goods such as pipes, tubes, and gun barrels. It is usually made from a piece of bar iron/ MS Billets that has been selected due to its length and thickness.

MS Pipes:

Our primary product is HR (Hot-Rolled) MS pipes. In pipes we manufacture square, rectangular, circular and D-shaped sections respectively. We manufacture HR pipes up-to a maximum size of 250x250mm for square sections, 300x200mm for rectangular sections and 300mm NB (nominal bore) for circular sections. The thickness can vary from 2mm to 6mm. Our products have multiple applications in multiple industries such as architectural, industrial, infrastructural, general engineering, power plants, solar power plants, steel industry, railways, cement plants, mining and so on.

Scaffolding, Tube Accessories and Fittings:

Scaffolding is used in construction activity, both buildings and other infrastructure construction. Scaffolding is used for variety of purposes including ease of construction process and safety of workers. Our range of scaffolding accessories or fittings include the following:

- Telescopic Props/ Adjustable Props/ Jacks/Props
- Cuplock Horizontal/ Ledgers

The steel-melting scrap and sponge iron in the ratio of 30/70 are processed in the induction furnace producing MS Billets, which are then used as an input for the rolling mill to produce HR Strips. We manufacture hot-rolled coil using hot charging process resulting in significant savings in power, time, processing and manpower costs. We manufacture HR strips up to the length of 900 sq. ft. enabling better quality and reduced wastages. HR strips are further processed in pipe mill to produce saleable pipes, channels, etc. Scaffolding adds another layer of value addition.

The shape of furnace is like a vertical cylindrical crucible made of refractory ramming mass. It is fitted in a steel shell suitably insulated between the shell and refractory crucible. A circular winding of copper tubing is placed at the bottom of the shell and space between steel former and coil is rammed with fine grains of acidic or basic refractory material. The steel former melts during the melting of charge in the crucible.

When the electrical current is switched on the eddy current developed between primary copper coil and heavier secondary current is this metallic charge, thus melting the charge to the desired temperature. The entire process of melting is taking place silently without any noise pollution. During melting, a small portion of the mixture is tested 3-4 times for the chemical composition of the mixture. Testing process enables us to check the content of various chemicals such as carbon, sulphur, phosphorous, manganese, etc. in the melted raw material. To get the desired chemistry some additions are made.

The Process of Melting in Hot Re-Rolling:

When a hot rolling stock passes through set of rotating rolls placed one above the other and rotating in opposite directions takes the shape of roll passes provided in the rolls due to compression of hot/reheated pieces.

On receipt of raw material i.e., Billets are cut into desired length depending on the section/sizes to be rolled. These cut pieces are then charged into oil fired two zone furnace having cast iron shield inside. The temperature is monitored and controlled. The normal travel time/heating time depends on the section/size of raw material as well as finished section/size to be rolled.

After the cut pieces of billets attain rolling temp of around 1200°C and soaked for uniform heating, the hot stock is discharged from the furnace and taken to Re-Rolling stands through rolled conveyors. Hot rolling stock passes through various rolls. Desired shape/ size of the rolls pass is achieved through compression. Throughout the process, dimensions are constantly checked and monitored. The finished pieces are cut into desired length on line with the help of end length cutting machine and taken goods yards for section/size wise stacking.

Hot Charging Process:

In the hot charging technique billets are delivered for hot rolling after they exit the casting unit but before they lose all their heat. The main feature and advantages of hot charging technique are:

- Energy savings
- Decrease billet inventory / yard space
- Reducing production cycle time

- Billet surface quality defects prevention during the cooling process.

The Process of MS Pipes:

The MS Steel Pipes are manufactured by using the process called Electric Resistance Welding (E.R.W). This process is well established and adopted by steel pipe manufacturers in India. The Electric Resistance Welding (E.R.W) is also known as high frequency contact welding. The H.R. Steel Strip are cut to specified width with a very close tolerance and with edges that are in the ideal condition for perfect welding. The welded edges are joint together under forcing pressure by roles. The result is a strong welded pipe /tube like any other metal but without change in its chemical composition. Soon after welding the special cutting tool completely removes the weld flash on the outer surface of all welded pipes. At this stage an arrangement of roles size and straighten to the tube to the close tolerance as required. Once this is done the tube automatically cut into specific predetermined lengths. When specification or application demand grater dimensional accuracy, enhanced physical properties and a super fine finished is performed without any trace of the inner and outer weld flash.

The pipes are then finally checked thoroughly for dimensional accuracy and surface quality as required by various specifications.

The same process is described in phases below:

- Strips are available in 60/80 feet folded lengths. The folded raw materials are available in bundles. Those bundles are opened and straightened to facilitate welding for joining the strips to have a continuous feeding to the machine.
- The joined strip is feed into the machine in the first stage. Bends are removed by the machine, and it is further straightened for the correct formation of pipe. The pipe making mill is connected to a slipping motor to have movement to the various rolls. The speed of the movement depends upon the feed raw material's width. Because of this movement there is a friction between the rolls and strip which heats up the rolls and some parts of the machine. The mill is connected by an efficient and continuous water circulation system to cool the rolls and machine parts in case of excessive friction heat.
- The next phase is the passage of raw materials through slitting zone to remove the excess and uneven edges and passages of raw materials through various rolls to convert into open seem pipe.
- The next phase is the passage of open seem pipe through welding rolls where the mill is connected to an automatic electrical welding unit which releases required heat to melt the edges of the open seem pipe.
- The welded pipe/tube is made to pass through cooling zone where there is a continuous cool water supply to control the heat caused by automatic electrical welding. The manufacturing process requires continuous cool water supply to control the heat arises due to manufacturing process.
- The final step is straightening, sizing and cutting of pipes.

Description and manufacturing process of Scaffolding

Scaffold is an auxiliary structure in the form of a wooden deck placed on supports; it provides a platform from which workmen can perform certain types of construction work, such as putting up walls or finishing room interiors. Scaffolds are usually set

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**CONSENT LETTER FROM MARKETING AGENCY/ INDUSTRY DATA
PROVIDER**

To,

The Board of Directors
Hariom Pipe Industries Limited
Plot 3-4-174/12/2, 1st Floor,
Samarpan lane, beside Spencer's Pillar No. 125,
Attapur, Hyderabad, Telangana – 500048

Dear Sir,

Re: Proposed initial public offering of equity shares of face value of Rs. 10each (the "Equity Shares") of Hariom Pipe Industries Limited (the "Company") (the "Issue")

With reference to the captioned matter, we Marketysers Global Consulting LLP, hereby accord our no-objection and our consent for inclusion of our name and India Steel & Steel Products Analysis & Forecast,2026(the "**Report**") dated 10-Feb-2022 in any documents issued by the Company in connection with the Issue, the red herring prospectus ("**RHP**") and the prospectus ("**Prospectus**") intended to be filed with the Registrar of Companies, Hyderabad ("**RoC**") and thereafter filed with the SEBI and the Stock Exchanges, as well as in any other documents including international supplements of the foregoing for distribution to investors outside India, publicity material, research reports, presentations or press releases or media releases, which the Company intends to issue in relation to the Issue (the "**Issue Documents**"). Further, we also accord our consent for the report to be published on the website of the Company at www.hariompipes.com.

This certificate does not impose any obligation on the Company to include in any Issue Documents all or any part of the information with respect to which consent for disclosure is being granted pursuant to this certificate.

We further confirm that we have, where required, obtained requisite consent that may be required from any governmental authority or other person in relation to any information used by us in our report titled India Steel & Steel Products Analysis & Forecast,2026published on 10-Feb-2022.

We confirm that we do not have any relation with the Company, its directors or its key managerial personnel.

Further, we authorize you to include the Report and this certificate as a "Material Contracts and Document for Inspection" in the Issue Documents, as required and make the Report available on Company's website for public inspection in accordance with applicable law.

Further, except as disclosed below, as on the date of this letter, we confirm that neither we nor our associates hold any Equity Shares- NIL

We also confirm that we are independent consultants with respect to the Company and its associates

This letter may be relied on by the Company, the BRLM and the legal counsel to each of the Company and the BRLM in relation to the Issue. We also authorize you to deliver this letter of consent to SEBI, the Stock Exchanges, the RoC pursuant to the provisions of Section 26 and 32 of the Companies Act,

2013 and the rules and regulations made there under, as amended, or any other governmental or regulatory authority as may be required.

We represent that our execution, delivery and performance of this consent have been duly authorised by all necessary actions (corporate or otherwise).

We further confirm that the above information in relation to us is true and correct.

We further confirm that we will not withdraw this consent until the date of the listing of the Equity Shares.

We agree to keep the information regarding the Issue strictly confidential.


We confirm that we will immediately communicate any changes in writing in the above information to the Company, book running lead manager to the Issue ("BRLM") until the date when the Equity Shares that are allotted and transferred in the Issue, commence trading on the Stock Exchanges. In the absence of any such communication from us, BRLM and the legal counsels, each to the Company and the BRLM, can assume that there is no change to the above information until the Equity Shares commence trading on the Stock Exchanges pursuant to the Issue.

This consent letter, including any annexures hereto, is for information and for inclusion (in part or full) in the Issue Documents, and may be relied upon by the Company, BRLM and the legal counsel to each of the Company and the BRLM in relation to the Issue.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Issue Documents.

Yours faithfully,

For Marketysers Global Consulting LLP


Authorized signatory
Shuvajit Bhaduri
Managing Partner
Date: [10-02-2022]



CC:

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