

# Jindal Steel & Power

BSE SENSEX

81,312

S&P CNX

24,752



## Stock Info

Bloomberg	JSP IN
Equity Shares (m)	1020
M.Cap.(INRb)/(USDb)	964.1 / 11.3
52-Week Range (INR)	1097 / 723
1, 6, 12 Rel. Per (%)	2/2/-18
12M Avg Val (INR M)	2114
Free float (%)	37.8

## Financials Snapshot (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	498	591	751
EBITDA	97	128	174
Adj. PAT	43	61	96
Cons. Adj. EPS (INR)	41.4	59.2	93.1
EPS Gr. (%)	(29.1)	43.0	57.3
BV/Sh. (INR)	466	520	603

## Ratios

Net D:E	0.2	0.3	0.2
RoE (%)	9.1	12.0	16.6
RoCE (%)	10.3	13.4	18.0
Payout (%)	10.0	10.0	10.0

## Valuations

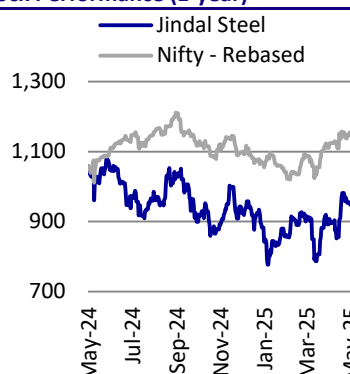
P/E (x)	22.9	16.0	10.2
P/BV (x)	2.0	1.8	1.6
EV/EBITDA(x)	11.2	8.7	6.2
Div. Yield (%)	0.4	0.6	1.0
FCF Yield (%)	0.2	(0.3)	5.7

## Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	62.2	61.2	61.2
DII	17.7	17.3	14.7
FII	10.4	11.8	13.7
Others	9.7	9.8	10.4

FII Includes depository receipts

## Stock Performance (1-year)



**CMP: INR945**

**TP: INR1,100 (+16%)**

**Buy**

## Capex strategy to drive long-term competitiveness

- Jindal Steel and Power (JSPL) has initiated a comprehensive capex plan for its Angul facility to expand its crude steel capacity by 65% to 15.9mtpa and finished steel capacity by 83% to 13.75mtpa. This expansion is expected to be complete by 1QFY27 and will position JSPL as the fourth-largest steel producer in India. Considering the capacity expansion, we estimate a ~17% CAGR in volume for JSPL over FY25-27E.
- JSPL is taking cost-effective measures to boost its operating margin, such as 1) strengthening raw material integration, 2) increasing its captive power plant share, 3) increasing the flat steel mix to ~70%, and 4) focusing on VAP (current share ~66%). Further, JSPL has started ramping up the Gare Palma IV/6 and Utkal block C, while Utkal C and B1 & B2 will be coming on stream soon, resulting in RM integration and cost effectiveness. Beyond the Angul expansion, JSPL plans an additional capex of INR160b over FY26-28 to enhance VAP (INR57b), strengthen logistics and supply chain (INR45b), and ensure operational sustainability (INR57b).
- The expansion will improve the realization for JSPL, particularly with an increased share of VAP and flat steel products. JSPL's current VAP share is ~66%, which may moderate to ~50% in the near term with new capacity coming on stream. However, the commissioning of the CRM complex and VAP enhancement projects will improve the product mix and support the VAP share.
- JSPL has deleveraged its balance sheet significantly by reducing its net debt from INR464b in FY16 to INR114b in FY25 with a net debt-to-EBITDA ratio of 1.26x as of 4QFY25. Out of the ongoing capex of INR310b, +75% has already been spent by JSPL and the remaining is expected to be spent in FY26. It has also proposed an additional INR160b of sustenance capex of INR160b over FY26-28E. As a result, we expect JSPL to generate operating cash flow of ~INR200b over FY26-27, enabling it to comfortably fund its capex (ongoing + proposed) without breaching the net debt/EBITDA target of 1.5x.

## Valuations

- The capacity expansion will boost its crude steel capacity by 65% to 15.9mtpa, which would primarily support revenue growth. The ramp-up of currently operational coal mines, the commencement of Utkal block (C and B1 & B2), slurry pipeline, and ACPPII commissioning would lower coal costs and support margins. Further, the company's focus on improving the VAP share (CRM complex + VAP enhancement project) will support NSR.
- JSPL has followed a prudent deleveraging policy, which has helped the company strengthen its balance sheet. The company has deleveraged its balance sheet from INR464b of net debt in FY16 to ~INR110b as of FY25, translating into a net debt-to-EBITDA ratio of 1.1x. JSPL aims to maintain it below 1.5x considering the ongoing and proposed capex.
- At CMP, the stock trades at 6.2x EV/EBITDA and 1.6x P/B on FY27 estimate. We maintain our BUY rating on JSPL with a TP of INR1,100, based on 7x EV/EBITDA on FY27 estimate.

**Alok Deora – Research analyst** (Alok.Deora@motilaloswal.com)

**Sonukumar Upadhyay – Research analyst** (Sonu.Upadhyay@motilaloswal.com)

**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

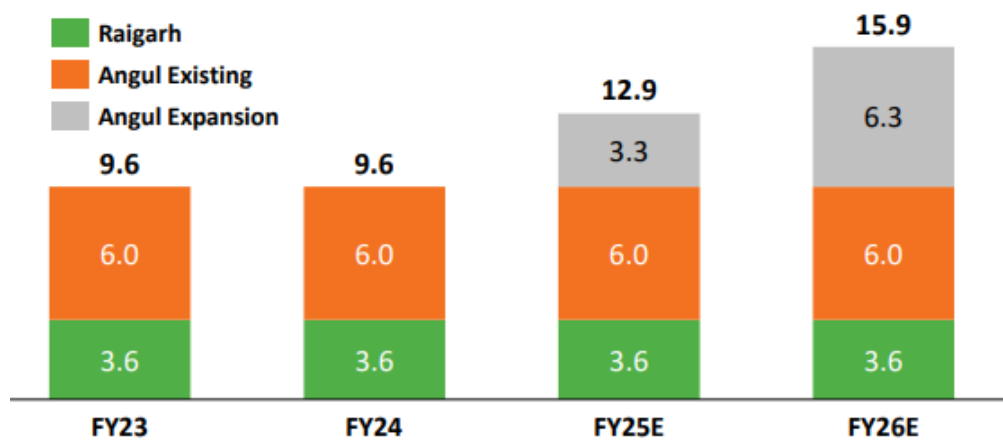
Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

## Investment rationale

### Scaling up the capacity - Ongoing Angul expansion the key focus areas

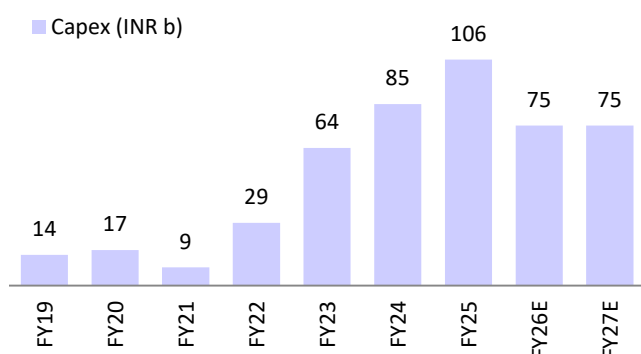
- JSPL has provided a capex guidance of INR310b, which will increase its total liquid steel capacity to 15.9mtpa (vs. 9.6mtpa) and finish steel capacity to 13.75mtpa (vs. 7.25mtpa). This Angul expansion plan includes: New blast furnace (BF) installation, capacity enhancement of steel melting shop (SMS), pellet plants, new hot strip mill (HSM), CRM mills, and ancillary units like oxygen plants, raw material handling system (RHMS) and power infrastructure (1050mw ACPP-II).
- As of now, JSPL has commissioned 6mtpa pellet plant-I and 6mtpa HSM at the Angul facility and guided that the BF-II & SMS-II (SMS-III in 3QFY26) are in the last leg of commissioning (full ramp-up by FY26 end). The rest of the expansions are progressing with slight delays and are expected to come on stream in phases during FY26-27.
- Out of the total announced capex of ~INR310b for Angul, JSPL has already spent +75% so far and the remaining will be spent in FY26. After the expansion, the share of flat steel products is expected to increase to ~70% from ~30-35% currently. It has also proposed to spend additional INR160b on VAP, logistics and sustenance capex over the next three years.
- During 4QFY25, JSPL acquired Allied Strips Ltd (ASL) in an all-cash deal for INR2.17b, with a capacity of 0.54mt HRPO and 0.3mt of CRFH/CRCA. The product profile here will ensure captive consumption of HR coil from Angul and lead to further VAP.

**Exhibit 1: Incremental crude steel capacities (mt)**



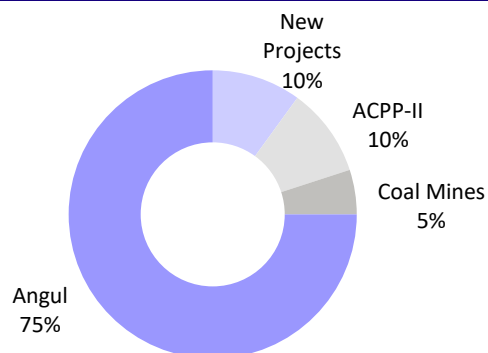
Source: MOFSL, Company

**Exhibit 2: Capex intensity to ease going forward**



Source: MOFSL, Company

**Exhibit 3: Breakdown of INR310b ongoing announced capex**



Source: MOFSL, Company

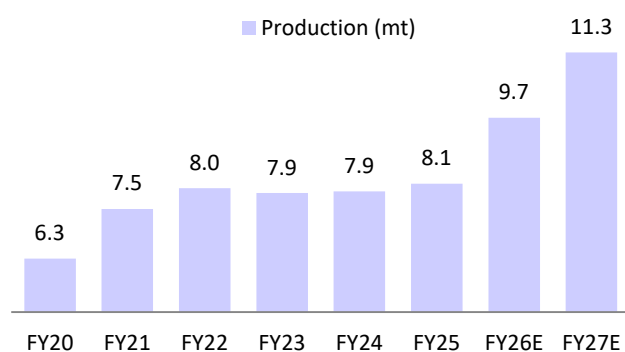
\*New Projects include Q&T, Rakes, Micro Palletization etc.

**Exhibit 4: Incremental finished steel capacities (mt)**

Capacities	Current capacity (mt)	Expanded capacity (mt)
<b>Raigarh, Chhattisgarh</b>		
Plate Mill	1.00	1.00
Rail Mill	1.00	1.00
Special Profiling Mill	0.75	0.75
<b>Patratu, Jharkhand</b>		
Bar Rod Mill	1.00	1.00
Wire Rod Mill	0.60	0.60
<b>Angul, Odisha</b>		
Bar Rod Mill	1.40	1.40
Plate Mill	1.50	2.00
Hot Strip Mill	0.00	6.00
<b>Total</b>	<b>7.25</b>	<b>13.75</b>
CRM Complex (Downstream)	0.00	1.25

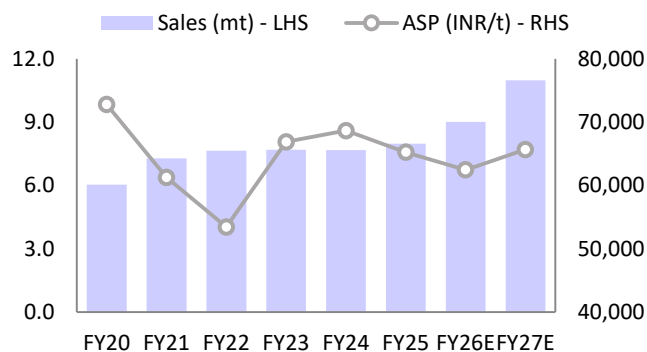
Source: MOFSL, Company

**Exhibit 5: Angul expansion to drive JSPL volume growth**



Source: MOFSL, Company

**Exhibit 6: Robust volume a key catalyst for revenue growth**



Source: MOFSL, Company

## Exhibit 7: Angul expansion update



### Blast Furnace – 2

- Gas stoves lighted in Q4FY25
- First Hot Metal tapping expected in Q1FY26



### Basic Oxygen Furnace – 2

- BOF – 2 progressing as per timelines
- SFT has already been started
- Target commissioning in Q2FY26



### CRM complex

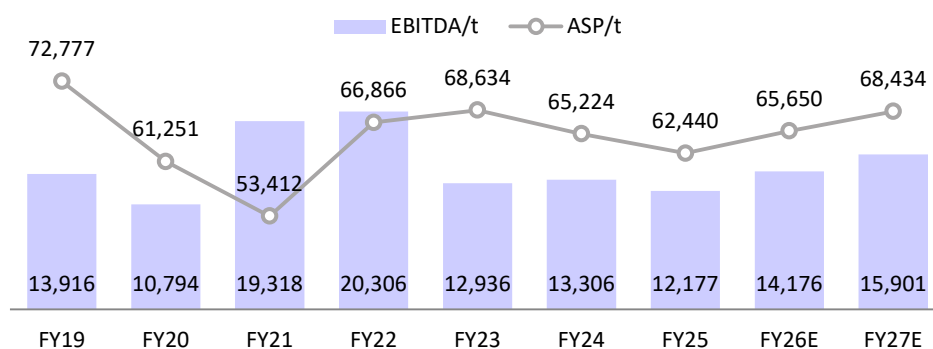
Progressive commissioning of various lines in FY26

Source: MOFSL, Company

## Focus on captive sourcing strategy for cost competitiveness

- **Iron ore mines:** JSPL owns two iron ore mines in Kasia (7.5mt) and Tensa (3.11mt) in Odisha, which fulfill ~60% its requirement. The rest is purchased via auctions and linkages from Odisha and Chhattisgarh mines. The proximity of Kasia and Tensa mines to its Barbil pellet facility reduces logistic hurdles and provides cost advantages. Further, JSPL plans to increase pellet capacity to 21mtpa (vs. current 15mtpa) and install a ~200km slurry pipeline of 18mt from Barbil to Angul as a part of the ongoing capex, which should lead to margin accretion and cost synergies.
- **Coal mines:** In terms of energy security, JSPL plans to develop the acquired coal mines to fulfil its captive requirement. The company acquired mines like Gare Palma IV/6 (4mtpa), Utkal C (3.37mt), and B1 & B2 (8mtpa) with a cumulative R&R of over 700mt. Among this four mines, only two are operational (Utkal C and Gare Palma IV/6) and the other two (Utkal B1 & B2) are at advanced stages of the mine opening process. Additionally, management is also planning to increase the EC limit for both Gare Palma IV/6 and Utkal C to 5mt each. All the above developments should help JSPL meet 100% of its captive coal requirement at economical costs. As a result, we believe the ramp-up of Gare Palma IV/6 and Utkal block C, along with the commencement of Utkal B1 & B2, would optimize the coal cost and support margins in the long run. Recently, JSPL has won Saradhapur Jalatap East coal block in Odisha, which is strategically positioned near JSPL's existing mines, strengthening its resource security.
- **International coal assets:** JSPL has also acquired thermal/coking and anthracite coal assets in Australia, Mozambique and South Africa (EC of 1.2mt, 5mt and 1.2mt, respectively) to ensure the continuous flow of input material, reducing its exposure to global energy market volatility.
- **Thermal power plant:** In FY23, JSPL acquired two 525mw power plant assets for INR4.1b from Monnet Power (MPCL) in Angul. The 1050mw plant was under construction at the time of acquisition; it is a part of ongoing capex and is expected to be commissioned in 4QFY25. Once fully commissioned, this plant will provide power to its Angul facility and its proximity to Utkal C and B1 & B2 mines will give an added advantage to JSPL.

**Exhibit 8: Weak ASP to effect FY25 EBITDA/t; expected to rebound in FY26E**



Source: MOFSL, Company

- **Future cost strategy:** In 3QFY25, management proposed an additional capex of INR160b for the next three years (FY26-28E) for improving cost efficiency, achieving sustainability, increasing VAP share and optimizing supply chain. The proposed expansion will be directed toward the following areas:
  - 1) **INR57b for enhancement/VAP projects:** This allocation focuses on expanding downstream facilities at the Angul and Raigarh plants. Notably, JSPL plans to establish a quenching and tempering line (750kt), galvanizing line (600kt) and color coated line (500kt).
  - 2) **INR45b for integrated supply chain projects:** Investments under this segment include: setting up a pipe conveyor project to connect coal mines, adding 67 railway rakes and transmission lines, and enhancing port facilities to streamline logistics and reduce transportation costs.
  - 3) **INR57b for maintenance and contingency capex:** This will be used for the maintenance of existing operations and addressing unforeseen expenses, ensuring business continuity and resilience.

Altogether, management expects this capex will lead to better NSR and margin accretion.

**Exhibit 9: Management proposed additional capex of INR160b for the next three years**

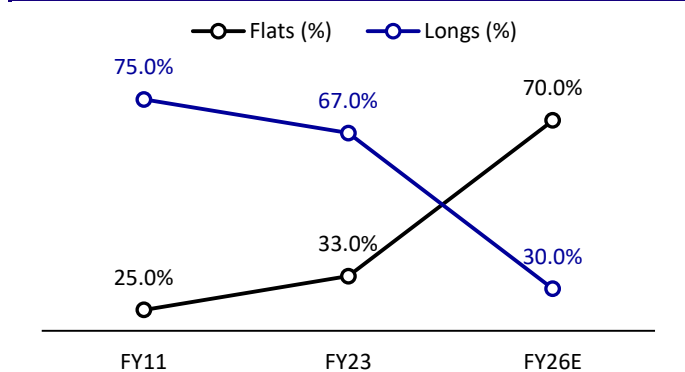
Particulars	Capex (INR b)
Enhancement of projects	57.2
Integrated Supply Chain Projects	45.0
Sustenance Capex	29.0
Contingency	28.9
<b>Total</b>	<b>160.0</b>

Source: MOFSL, Company

### Higher VAP, change product mix to support NSR amid global tariff tension

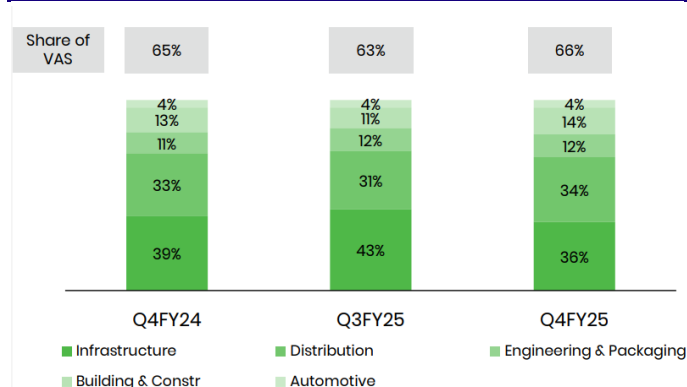
- JSPL's volume growth has been limited because of the production headroom constraints, which we expect to ease after the commissioning of 6.3mtpa (3.3mtpa in 4QFY25 + 3mtpa in 3QFY26) crude steel capacity at the Angul facility.
- The company had commissioned 6mtpa of HSM at its Angul facility, which is currently operating at 40% utilization level. Utilization should improve with the commissioning of crude steel capacity.
- JSPL primarily focuses on long products, where infra/building and construction contribute ~52% to its revenue. JSPL aims to increase its specialty-grade flats, and with the completion of ongoing expansions, the share of flat steel products will increase to ~70% from ~30% currently.
- JSPL has a significantly higher proportion of value-added product/grades (~66% in 4QFY25), which insulates JSPL from steel price volatility. In the near term, management indicated that the VAP share should moderate to ~50% on account of newly added capacity; however, the commissioning of CRM complex would drive product mix improvement and higher VAP share. Further, JSPL has proposed to spend additional INR57b on VAP (under INR160b plan) over the next three years, supporting VAP sales.

**Exhibit 10: Post expansion the flat share to hit ~70%**



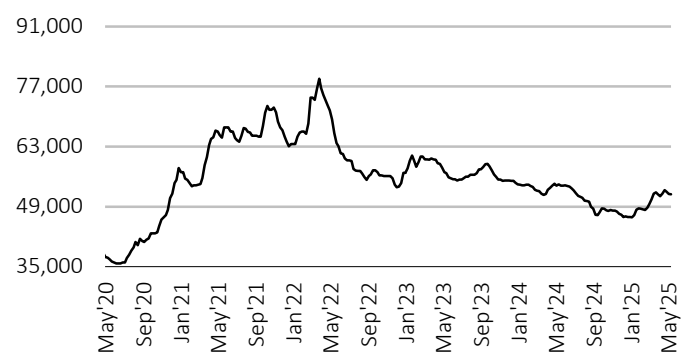
Source: MOFSL, Company

**Exhibit 11: VAP share to decline due to added capacity**



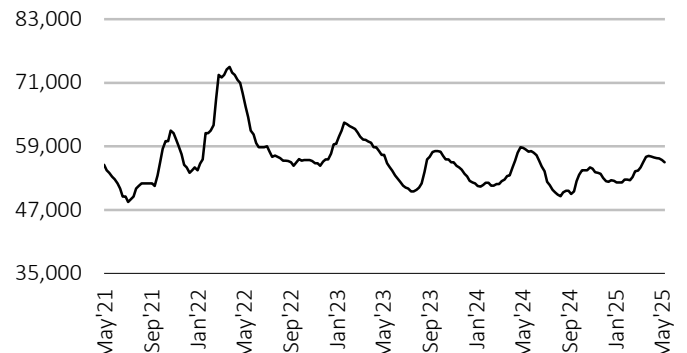
Source: MOFSL, Company

**Exhibit 12: Domestic HRC prices (INR/t) – 12% safeguard duty rebound the flat prices**



Source: MOFSL, Company

**Exhibit 13: Domestic rebar prices (INR/t) – strong order in mill and lower inventory supporting long prices**



Source: MOFSL, Company

### Strong balance sheet with better operating performance will support capex

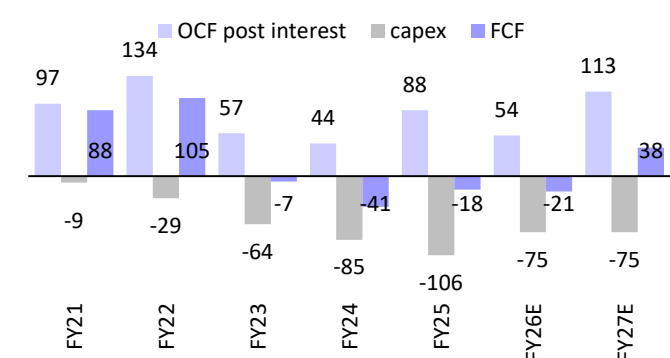
- JSPL sold its non-core assets to deleverage its balance sheet, resulting in a decline in net debt from the peak of INR464b in FY16 to ~INR94b in FY22. The net debt-to-EBITDA ratio moderated to 0.5x in FY22 from 4.9x in FY19.
- In FY22, JSPL embarked on an ambitious capex plan of INR310b and as of FY25, the company has already incurred +75% of that capex, which increased its net debt to INR114b (1.26x net debt/EBITDA) in FY25.
- Going forward, management has proposed the next phase of capex with INR160b for the next three years (FY26-28) toward cost efficiency, sustainability, increasing VAP share and optimizing supply chain. As a result, we believe the capex outflow will continue for JSPL during FY26-28 (INR75-80b per year).
- We expect JSPL to generate OCF of ~INR200b during FY26-27E, aided by newly added capacity at Angul. This would help JSP fund its announced capex (proposed + pending) comfortably until FY28 (targeting net debt/EBITDA below 1.5x).

**Exhibit 14: Capex to be funded in next three years (FY26-28E)**

Particulars	Capex (INR b)
<b>Angul Capex</b>	<b>310.0</b>
<b>Proposed additional capex</b>	<b>160.0</b>
- Enhancement of projects	57.2
- Integrated Supply Chain Projects	45.0
- Sustenance Capex	29.0
- Contingency	28.9
<b>Total Capex Announced</b>	<b>470.0</b>
JSP Spend till FY25	259.0
<b>Pending Capex (FY26-28E)</b>	<b>211.0</b>

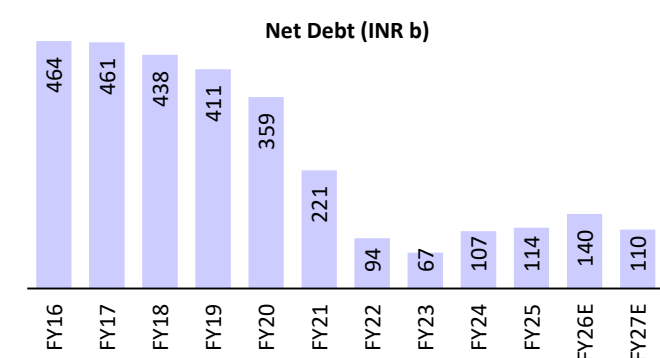
Source: MOFSL, Company

**Exhibit 15: Strong OCF generation to support capex**



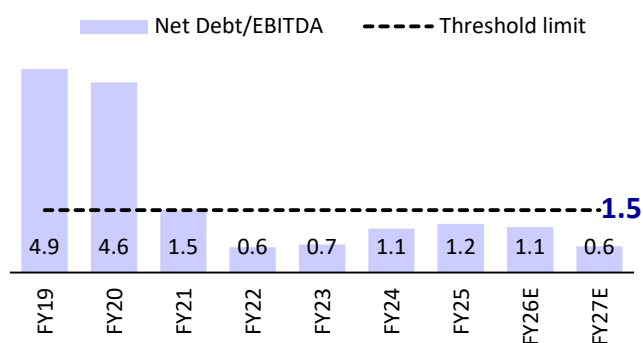
Source: MOFSL, Company

**Exhibit 16: JSP significantly deleveraged its B/S**



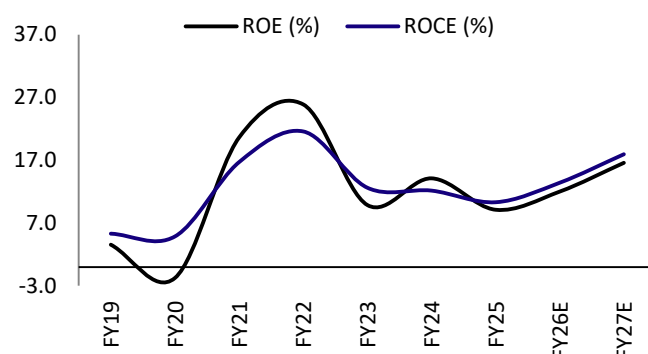
Source: MOFSL, Company

**Exhibit 17: JSP targets net debt/EBITDA below 1.5x**



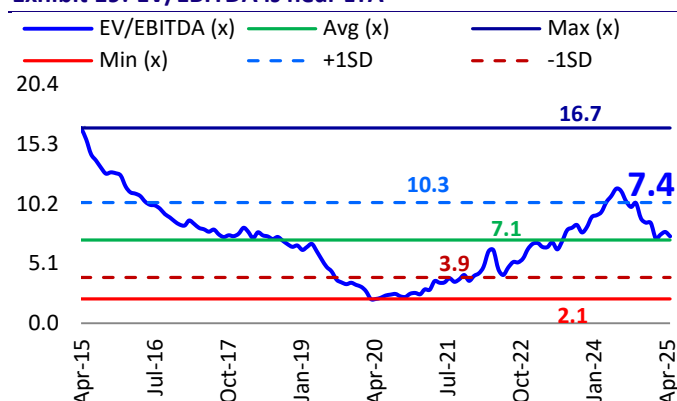
Source: MOFSL, Company

**Exhibit 18: RoE and RoCE is set to improve**



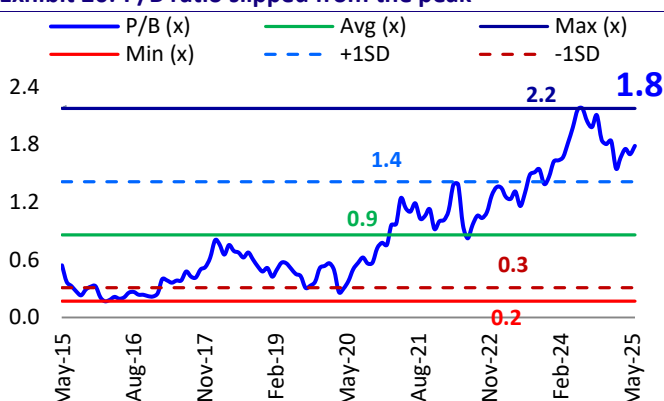
Source: MOFSL, Company

**Exhibit 19: EV/EBITDA is near LTA**



Source: MOFSL, Company Data

**Exhibit 20: P/B ratio slipped from the peak**



Source: MOFSL, Company Data

**Exhibit 21: Valuation and TP**

Y/E March	UoM	FY27E
Volume	mt	11.0
Blended EBITDA/t	INR	15,901
Consol. EBITDA	INR b	174
Target EV/EBITDA(x)	x	7.0
Target EV	INR b	1,221
Net Debt	INR b	110
Equity Value	INR b	1,111
No of shares o/s	b	1.0
Target price (INR/share)	INR/sh	1,100

Source: MOFSL, Company

## Financials and Valuations

### Consolidated Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Net sales</b>	<b>370.0</b>	<b>388.6</b>	<b>510.9</b>	<b>527.1</b>	<b>500.3</b>	<b>497.6</b>	<b>590.9</b>	<b>750.8</b>
Change (%)	-6.0	5.0	31.5	3.2	-5.1	-0.5	18.7	27.1
Total Expenses	291.4	241.0	355.7	427.8	398.2	400.6	463.3	576.3
<b>EBITDA</b>	<b>78.5</b>	<b>147.6</b>	<b>155.1</b>	<b>99.3</b>	<b>102.1</b>	<b>97.1</b>	<b>127.6</b>	<b>174.4</b>
As a percentage of Net Sales	21.2	38.0	30.4	18.8	20.4	19.5	21.6	23.2
Depn. and Amortization	41.6	34.5	21.0	26.9	28.2	27.7	30.7	32.7
<b>EBIT</b>	<b>36.9</b>	<b>113.1</b>	<b>134.2</b>	<b>72.4</b>	<b>73.8</b>	<b>69.4</b>	<b>96.9</b>	<b>141.8</b>
Net Interest	41.5	30.9	18.9	14.5	12.9	13.1	17.6	16.2
Other income	0.3	4.1	0.5	0.6	1.6	1.7	1.8	2.0
<b>PBT before EO</b>	<b>-4.3</b>	<b>86.3</b>	<b>115.8</b>	<b>58.6</b>	<b>62.5</b>	<b>57.9</b>	<b>81.1</b>	<b>127.5</b>
EO income	1.8	-13.3	-4.1	-13.7	0.0	-14.4	0.0	0.0
<b>PBT after EO</b>	<b>-2.5</b>	<b>73.0</b>	<b>111.7</b>	<b>44.9</b>	<b>62.5</b>	<b>43.5</b>	<b>81.1</b>	<b>127.5</b>
Tax	1.5	17.7	29.2	12.9	3.0	15.0	20.3	31.9
Rate (%)	-62.6	24.2	26.2	28.8	4.8	34.4	25.0	25.0
<b>PAT (before MI and Sh. of Asso.)</b>	<b>-4.0</b>	<b>55.3</b>	<b>82.5</b>	<b>31.9</b>	<b>59.5</b>	<b>28.5</b>	<b>60.8</b>	<b>95.6</b>
Minority interests	0.0	2.5	-0.5	0.4	0.0	0.3	0.0	0.0
Other adj.	0.0	0.0	0.0	-8.6	0.0	0.0	0.0	0.0
Share of Associates	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
<b>PAT (after MI and Sh. of Asso.)</b>	<b>-4.0</b>	<b>52.7</b>	<b>83.0</b>	<b>31.5</b>	<b>59.4</b>	<b>28.1</b>	<b>60.8</b>	<b>95.6</b>
<b>Adjusted PAT</b>	<b>-5.8</b>	<b>66.0</b>	<b>87.0</b>	<b>36.6</b>	<b>59.4</b>	<b>42.5</b>	<b>60.8</b>	<b>95.6</b>
Change (%)	PL	LP	31.8	-57.9	62.3	-28.4	43.0	57.3

### Consolidated Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Reserves	320.4	317.1	355.2	386.1	442.2	470.8	524.6	609.2
<b>Net Worth</b>	<b>321.4</b>	<b>318.1</b>	<b>356.2</b>	<b>387.1</b>	<b>443.2</b>	<b>471.8</b>	<b>525.6</b>	<b>610.3</b>
Minority Interest	-7.8	-8.8	14.7	3.1	4.3	2.3	2.3	2.3
Total Loans	368.2	293.2	138.6	124.4	159.0	178.4	174.4	170.4
Deferred Tax Liability	56.2	62.4	72.8	59.4	58.8	57.8	57.8	57.8
<b>Capital Employed</b>	<b>738.1</b>	<b>665.0</b>	<b>582.3</b>	<b>573.9</b>	<b>665.3</b>	<b>710.4</b>	<b>760.2</b>	<b>840.8</b>
Gross Block	950.8	832.8	681.4	689.7	766.1	804.5	879.5	954.5
Less: Accum. Deprn.	251.5	286.1	223.0	247.2	275.4	303.1	333.8	366.5
<b>Net Fixed Assets</b>	<b>699.2</b>	<b>546.7</b>	<b>458.4</b>	<b>442.5</b>	<b>490.7</b>	<b>501.4</b>	<b>545.7</b>	<b>588.0</b>
Capital WIP	19.7	8.9	17.4	71.1	88.7	155.2	155.2	155.2
Goodwill and Revaluation	6.1	5.0	4.5	0.6	0.6	0.6	0.6	0.6
Investments	1.4	1.4	1.4	1.4	1.5	5.0	5.0	5.0
<b>Curr. Assets</b>	<b>170.9</b>	<b>216.3</b>	<b>284.8</b>	<b>178.7</b>	<b>205.3</b>	<b>195.6</b>	<b>199.2</b>	<b>252.5</b>
Inventory	63.7	59.4	72.8	58.9	70.8	56.1	83.6	106.2
Account Receivables	35.5	27.9	12.6	9.7	16.6	13.6	19.7	25.0
Cash and Bank Balance	9.5	71.8	44.6	57.2	51.6	64.8	34.9	60.2
Loans and advances and others	62.2	57.2	154.8	52.9	66.3	61.1	61.1	61.1
<b>Curr. Liability and Prov.</b>	<b>159.3</b>	<b>113.4</b>	<b>184.1</b>	<b>120.4</b>	<b>121.5</b>	<b>147.2</b>	<b>145.4</b>	<b>160.4</b>
Account Payables	55.8	40.6	52.5	47.0	46.8	57.1	55.3	70.3
Provisions and Others	103.6	72.8	131.6	73.3	74.6	90.1	90.1	90.1
<b>Net Current Assets</b>	<b>11.6</b>	<b>102.9</b>	<b>100.7</b>	<b>58.4</b>	<b>83.9</b>	<b>48.3</b>	<b>53.8</b>	<b>92.1</b>
<b>Appl. of Funds</b>	<b>738.1</b>	<b>665.0</b>	<b>582.3</b>	<b>573.9</b>	<b>665.3</b>	<b>710.4</b>	<b>760.2</b>	<b>840.8</b>

## Financials and Valuations

### Consolidated ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Basic (INR)</b>								
EPS	-5.7	64.7	86.0	36.4	58.4	41.4	59.2	93.1
Cash EPS	36.9	88.0	102.4	58.6	87.5	55.6	90.4	126.8
BV/Share	315.1	311.9	352.5	385.1	442.1	466.3	519.5	603.1
DPS	0.0	0.0	3.0	2.0	2.0	4.1	5.9	9.3
Payout (%)	0.0	0.0	3.5	5.5	3.4	10.0	10.0	10.0
<b>Valuation (x)</b>								
P/E	-167.1	14.7	11.0	26.0	16.2	22.9	16.0	10.2
Cash P/E	25.7	10.8	9.3	16.2	10.8	17.1	10.5	7.5
P/BV	3.0	3.0	2.7	2.5	2.1	2.0	1.8	1.6
EV/Sales	3.6	3.1	2.1	1.9	2.1	2.2	1.9	1.4
EV/EBITDA	16.9	8.1	6.8	10.3	10.5	11.2	8.7	6.2
Dividend Yield (%)	0.0	0.0	0.3	0.2	0.2	0.4	0.6	1.0
<b>Return Ratios (%)</b>								
EBITDA Margin (%)	21.2	38.0	30.4	18.8	20.4	19.5	21.6	23.2
Net Profit Margin (%)	-1.6	17.0	17.0	6.9	11.9	8.5	10.3	12.7
RoE	-1.7	20.6	25.9	9.9	14.1	9.1	12.0	16.6
RoCE (pre-tax)	4.9	16.7	21.6	12.6	12.2	10.3	13.4	18.0
RoIC (pre-tax)	5.1	17.7	24.6	15.1	15.3	13.8	18.5	23.9
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	0.5	0.7	1.1	1.0	0.9	0.8	0.8	1.0
Asset Turnover (x)	0.5	0.6	0.9	0.9	0.8	0.4	0.4	0.4
Inventory (Days)	63	56	52	41	52	52	52	52
Debtor (Days)	35	26	9	7	12	12	12	12
Payable (Days)	55	38	38	33	34	34	34	34
Work. Cap. Turnover (Days)	43	44	24	15	30	30	30	30
<b>Leverage Ratio (x)</b>								
Current Ratio	1.1	1.9	1.5	1.5	1.7	1.3	1.4	1.6
Interest Coverage Ratio	0.9	3.7	7.1	5.0	5.7	5.3	5.5	8.7
Debt/Equity ratio	1.1	0.7	0.3	0.2	0.2	0.2	0.3	0.2

### Consolidated Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
EBITDA	78.5	147.6	155.1	99.3	102.1	97.1	127.6	174.4
Non-cash exp./(income)	1.6	-1.7	24.8	-4.6	1.3	-5.1	0.0	0.0
(Inc.)/Dec. in Wkg. Cap.	19.3	-12.4	-8.4	11.2	-19.5	28.5	-35.3	-13.0
Tax Paid	0.0	0.5	-19.6	-27.0	-6.8	-15.2	-20.3	-31.9
others	-11.3	-14.4	8.5	-6.1	-17.1	3.0	0.0	0.0
<b>CF from Op. Activity</b>	<b>88.1</b>	<b>119.6</b>	<b>160.5</b>	<b>72.8</b>	<b>60.1</b>	<b>108.2</b>	<b>72.0</b>	<b>129.6</b>
(Inc.)/Dec. in FA + CWIP	-16.6	-8.6	-29.4	-64.5	-85.2	-106.1	-75.0	-75.0
(Pur.)/Sale of Investments	0.3	0.2	0.7	0.5	0.9	1.2	0.0	0.0
Loans and advances	1.0	-11.5	3.8	23.1	-1.6	-20.3	0.0	0.0
Int. and Dividend Income	0.5	1.0	1.6	0.7	2.4	1.9	1.8	2.0
Other investing activities	-16.3	-8.4	-28.7	-64.0	-84.3	-104.9	0.0	0.0
<b>CF from Inv. Activity</b>	<b>-14.8</b>	<b>-18.8</b>	<b>-23.3</b>	<b>-40.2</b>	<b>-83.4</b>	<b>-123.2</b>	<b>-73.2</b>	<b>-73.0</b>
Equity raised/(repaid)	5.1	0.0	-5.0	-1.9	-1.6	0.0	0.0	0.0
Debt raised/(repaid)	-60.8	-23.4	-119.2	-5.7	33.6	18.9	-4.0	-4.0
Dividend (incl. tax)	0.0	0.0	-1.0	-2.0	-2.0	-2.0	-7.0	-11.0
Interest paid	-40.1	-22.7	-26.1	-15.4	-16.2	-20.0	-17.6	-16.2
<b>CF from Fin. Activity</b>	<b>-70.2</b>	<b>-46.1</b>	<b>-151.2</b>	<b>-25.0</b>	<b>13.8</b>	<b>8.1</b>	<b>-28.7</b>	<b>-31.3</b>
<b>(Inc.)/Dec. in Cash</b>	<b>3.2</b>	<b>54.6</b>	<b>-14.0</b>	<b>7.6</b>	<b>-9.5</b>	<b>-6.9</b>	<b>-29.9</b>	<b>25.3</b>
Add: opening cash balance	1.8	5.0	59.7	35.0	42.6	33.1	26.2	-3.7
Discontinued operations (/adj.)	0.0	0.0	-10.6	0.0	0.0	0.0	0.0	0.0
Closing cash balance	5.0	59.7	35.0	42.6	33.1	26.2	-3.7	21.6
Bank balance	4.5	12.1	9.5	14.6	18.5	38.6	38.6	38.6
<b>Closing Balance</b>	<b>9.5</b>	<b>71.8</b>	<b>44.6</b>	<b>57.2</b>	<b>51.6</b>	<b>64.8</b>	<b>34.9</b>	<b>60.2</b>

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

Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interest with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA.

Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.

8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

financial interest in the subject company

actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

received compensation/other benefits from the subject company in the past 12 months

any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in 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 performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.