

Jindal Steel and Power

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR109
TP: INR166 (+52%)
Buy

Deleveraging to continue despite COVID-19

Improved performance across operations leads to profits

- JSP's 4QFY20 result highlights the benefits of higher steel realizations and cost efficiencies in its steel operations. 4QFY20 consolidated EBITDA was up 22% QoQ (20% YoY) to INR22.2b (v/s est. INR19.6b) due to higher steel prices in Indian and Oman operations.
- JSP continues on the path of deleveraging as it reduced net debt by INR32b in FY20. We expect JSP to reduce its net debt by INR72b (INR71/share) over FY20-22E to INR307b from INR379b (incl. acceptances) at end-FY20. This would be done through FCF generation led by higher EBITDA. Re-iterate **Buy** with an SOTP-based target price of INR166/share.

Higher realizations boost margins

- **Consolidated:** EBITDA of INR22.2b (+22% QoQ) in 4QFY20 was 13% above our est., primarily due to higher-than-expected margins in Indian Steel and Oman operations. Adj. PAT stood at INR2.2b (v/s est. Adj. loss of INR1.5b). During FY20, EBITDA declined 7% YoY to INR78.6b while Adj. loss stood at INR2.8b (v/s FY19 Adj. PAT of INR3.2b).
- **Standalone:** Steel sales volumes declined 17% QoQ to 1.33mt (-8% YoY) due to lower production led by shutdown at Angul Blast Furnace and the COVID-19 impact. Implied steel realization improved 9% QoQ to INR42,514/t on strong domestic steel prices. EBITDA/t increased 40% QoQ (18% YoY) to INR11,746/t (v/s est. INR10,963/t), primarily due to increased realization and usage of Sarda mines inventory during Mar'20, which was offset by negative operating leverage effect. As a result, EBITDA of standalone operations increased 16% QoQ to INR15.6b (+8% YoY), above est. INR14.6b.
- **Jindal Power:** JPL's generation increased 28% QoQ (-7% YoY) to 2,430m units (v/s est. 2,266m units). Realization stood at INR4.17/kWh (-9% QoQ, flat YoY). EBITDA/unit stood at INR1.5/kWh (+1% QoQ, +37% YoY). As a result, EBITDA increased 30% QoQ/25% YoY to INR3.3b (v/s est. INR2.8b).
- **Oman:** Steel sales stood at 530kt (15% YoY, -7% QoQ). Oman Steel operations reported EBITDA/t of USD120/t (v/s est. USD65/t), up 108% QoQ/58% YoY on the back of higher steel prices coupled with lower power and gas costs. This resulted in EBITDA improving 97% YoY/88% QoQ to INR4.6b (v/s est. INR2.5b).
- Net debt (excluding acceptances) increased by ~INR4.5b QoQ to INR359b (due to adverse forex impact of ~INR8b). During FY20, the company repaid debt of INR44b, however, due to adverse forex impact of INR11.6b, the debt reduction was lower at INR32b to INR359b.

Management confident on volume growth in FY21

- Indian operations' capacity utilization currently stands at ~80%. The company expects to import ~500kt during Apr-May'20. EBITDA/t is expected at ~INR9,000 in 1QFY21.

Bloomberg	JSP IN
Equity Shares (m)	1,016
M.Cap.(INRb)/(USDb)	111.5 / 1.3
52-Week Range (INR)	202 / 62
1, 6, 12 Rel. Per (%)	40/-5/-10
12M Avg Val (INR M)	2874

Financials & Valuations (INR b)

Y/E March	2020E	2021E	2022E
Sales	370.0	359.7	413.4
EBITDA	78.5	86.4	89.2
Adj. PAT	-2.8	3.1	7.8
Adj. EPS (INR)	-2.8	3.0	7.7
EPS Gr(%)	-183.8	-210.2	153.3
BV/Sh. (INR)	315.1	318.1	325.8
RoE (%)	-0.8	1.0	2.4
RoCE (%)	4.8	5.9	6.5
Payout (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Mar-20	Dec-19	Mar-19
Promoter	42.7	42.3	42.7
DII	4.9	4.6	3.4
FII	17.7	18.3	19.2
Others	34.7	34.8	34.7

FII Includes depository receipts

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

- Management has guided for FY21 production volume of 7-7.5mt (6.3mt in FY20) in Indian operations and 8.7-9.3mt (8.2mt in FY20) at consolidated level. Capex has been guided at INR6-8b for FY21 (v/s ~INR9b in FY20). The company also expects higher volumes through improved exports.
- The company has opted for moratorium till Aug'20 for debt and principal repayments that are due. This would result in deferral of principal and interest of INR7b each i.e. INR14b in Indian Steel operations.
- Scheduled debt repayment of INR61b in FY21 – Standalone (INR16b), Australia and Mauritius (INR33b), Oman (INR6b), and JPL (INR6b).

Deleveraging to continue from FCF generation

- While JSP has guided for ~15% volume growth in FY21 on the back of higher exports, we have factored in 6% volume growth. Lower export prices are likely to adversely impact realizations, thereby impacting margins. However, we expect this to be partly offset by usage of free iron ore/lower coal prices.
- We expect JSP to reduce its net debt by INR72b (INR71/share) over FY20-FY22E to INR307b from INR379b (incl. acceptances) at end-FY20 through FCF generation led by higher EBITDA.
- Refinancing of overseas debt would elongate debt repayment schedule, thereby, reducing strain on standalone cash flows. We believe that JSP would be able to refinance debt of INR33b due for maturity in Australia and Mauritius, and have factored in the same into our estimates.
- Re-iterate **Buy** with a TP (SOTP-based) of INR166 by valuing the steel business at 4.5x FY22E EBITDA and the power business using DCF methodology. At CMP, the stock trades attractively at 3.7x FY22E EV/EBITDA of steel business.

Quarterly Performance (Consolidated) - (INR Million)

Y/E March	FY19				FY20				FY19	FY20	vs Est (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				4QE
Net Sales	96,654	99,823	95,656	1,01,590	99,456	89,395	92,998	88,107	3,93,721	3,69,955	89,226	-1
Change (YoY %)	63.6	63.0	36.8	18.1	2.9	-10.4	-2.8	-13.3	42.5	-6.0	-12.2	
EBITDA	22,766	22,074	20,769	18,447	21,731	16,415	18,195	22,198	84,056	78,539	19,630	13
Change (YoY %)	68.3	60.7	29.3	-13.7	-4.5	-25.6	-12.4	20.3	29.9	-6.6	6.4	
Interest	9,729	10,858	10,424	11,631	11,090	10,301	10,024	10,078	42,642	41,493	9,885	2
Depreciation	10,399	10,314	10,357	10,867	10,536	10,390	10,179	10,500	41,938	41,604	10,179	3
Other Income	0	9	148	0	8	8	0	246	157	262	8	
PBT (before EO item)	2,637	911	136	-4,051	113	-4,266	-2,008	1,865	-367	-4,296	-426	NA
Extra-ordinary Income	0	2,555	0	-30,204	0	0	0	1,838	-27,650	1,838	0	
PBT (after EO item)	2,637	3,466	136	-34,255	113	-4,266	-2,008	3,704	-28,017	-2,458	-426	NA
Total Tax	1,538	674	1,008	-7,122	987	-273	178	647	-3,902	1,539	1,101	
Reported PAT	1,099	2,792	-872	-27,133	-874	-3,993	-2,186	3,056	-24,115	-3,997	-1,527	NA
MI - Loss/(Profit)	-709	-645	-614	-5,676	-968	-988	57	-1,006	-7,644	-3,025	-30	
Adjusted PAT	1,808	882	-258	746	95	-3,005	-2,243	2,224	3,178	-2,810	-1,497	NA
Change (YoY %)	-146.7	-129.6	-90.3	-42.4	-94.8	-440.7	767.6	198.0	-138.7	-188.4	-300.6	
Cash profit (pre tax and MI)	13,036	11,225	10,493	6,817	10,649	6,123	8,171	12,365	41,571	37,308	9,753	27

E: MOFSL Estimates

Management call highlights

Key takeaways:

- The company has opted for moratorium till Aug'20 for debt and principal repayments that are due. This would result in deferral of principal and interest of INR7b each i.e. INR14b in its Indian Steel operations.
- Management has guided for FY21 production volume of 7-7.5mt (6.3mt in FY20) in Indian operations and 8.7-9.3mt (8.2mt in FY20) at consolidated level. Capex has been guided at INR6-8b for FY21 (v/s ~INR9b in FY20).
- Indian operations' capacity utilization currently stands at ~80% with EBITDA per ton expected at about INR9,000/t for 1QFY21.

Other takeaways:

Indian Steel Operations

- Steel production in 4QFY20 was impacted by the 40-day shutdown taken at the Angul Blast Furnace.
- Improvement in EBITDA per ton in 4QFY20 was driven by higher NSR (up 8% QoQ) and raw material cost reduction, offset by shutdown cost and lower operating leverage.
- Currently producing 0.56mt/month implying ~80% utilization.
- Exported 249kt in Apr'20, expect exports to be higher than 500kt in Apr-May'20. Pellet export run-rate currently stands at 400kt per month (v/s 200kt per month earlier).
- Exporting rails, plates, billets to Europe, the Middle East and China.
- Expect to generate EBITDA/t of ~INR9,000 during 1QFY21.
- Cost to benefit from lower thermal coal, coking coal and other consumable prices. Usage of Sarda iron ore to further optimize raw material cost.

Jindal Power Ltd

- JPL benefitted in 4QFY20 from lower coal cost during the quarter.
- JPL has receivables of INR16b from State Power DISCOMs (mainly Tamil Nadu and Kerala) and expects this to reduce in FY21.
- E-auction coal has been booked till Aug'20 at zero premium as it is a buyers' market currently.
- JPL expects to sign two 3-year PPAs of 420MW in Jun-end under the PFC Pilot Scheme-II; power supply should start from Oct'20 and expected realization is INR3.25/kWh.
- JPL has not seen drop in power demand from Tamil Nadu and Kerala (having PPAs of 750MW with these two states). However, it has been supplying ~200MW/day to exchanges at ~INR2.5/kWh to generate additional cash flow.

Debt position

- Repaid debt of INR44b in FY20, however, adverse forex impact of INR11.6b (of which ~INR8b in 4QFY20) led to lower YoY debt reduction of INR32b in FY20 to INR359b.
- JSP has opted for moratorium for debt and interest repayment due till Aug'20. This has resulted in deferring of debt repayment by INR7b and interest cost by another INR7b.

- Scheduled debt repayment of INR61b in FY21 – Standalone (INR16b), Australia and Mauritius (INR33b), Oman (INR6b), and JPL (INR6b).
- JSP expects to refinance its Australia and Mauritius debt repayment (mostly falling due in Mar'21) through issuance of debt and monetization of overseas assets. Restructuring of debt in Australian subsidiary has been completed in May'20.

Quarterly performance (standalone)

Y/E March	INR million											
	FY19				FY20				FY19	FY20	vs Est	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	(%)	
Net Sales	67,339	68,488	67,309	74,024	70,848	65,729	66,403	59,303	2,77,160	2,62,283	59,758	-1
NSR (INR/t)	52,682	49,341	52,713	48,076	47,453	46,077	39,048	42,514			41,548	
Change (YoY %)	86.3	86.7	57.6	28.7	5.2	-4.0	-1.3	-19.9	60.2	-5.4	-19.3	
EBITDA	16,451	14,521	14,801	14,399	16,080	12,551	13,521	15,622	60,172	57,774	14,581	7
INR/t	13,824	11,344	12,334	9,931	11,245	9,437	8,398	11,746	11,752	10,136	10,963	7
Interest	6,054	6,758	6,351	9,795	6,970	6,569	6,343	6,225	28,958	26,106	6,240	0
Depreciation	5,767	5,825	5,722	5,779	5,671	5,823	5,702	5,676	23,092	22,871	5,702	0
Other Income	0	0	145	0	0	0	0	0	145	0	0	
PBT (before EO item)	4,630	1,938	2,873	-1,174	3,440	159	1,476	3,722	8,266	8,797	2,639	41
Extra-ordinary Income	0	2,555	0	-16,538	0	0	0	0	-13,984		0	
PBT (after EO item)	4,630	4,492	2,873	-17,713	3,440	159	1,476	3,722	-5,718	8,797	2,639	41
Total Tax	1,307	666	1,107	-6,149	1,201	8	507	904	-3,069	2,620	897	
% Tax	28.2	14.8	38.5	34.7	34.9	4.7	34.3	24.3	53.7	29.8	34.0	
Reported PAT	3,323	3,827	1,766	-11,564	2,239	151	969	2,818	-2,649	6,177	1,742	62
Adjusted PAT	3,323	1,272	1,766	4,974	2,239	151	969	2,818	11,335	6,177	1,742	62

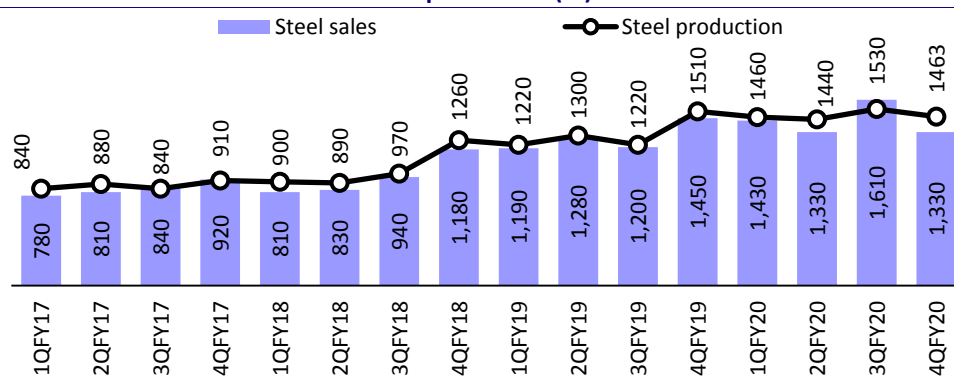
Source: MOFSL

Operational performance (standalone)

	FY19				FY20			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE
Sales volumes	1,190	1,280	1,200	1,450	1,430	1,330	1,610	1,330
Change (YoY %)	46.9	54.2	27.7	22.9	20.2	3.9	34.2	-8.3
Change (QoQ %)	0.8	7.6	-6.3	20.8	-1.4	-7.0	21.1	-17.4
Realization	52,682	49,341	52,713	48,076	47,453	46,077	39,048	42,514
Change (YoY %)	28.9	26.5	30.6	7.6	-9.9	-6.6	-25.9	-11.6
Change (QoQ %)	17.9	-6.3	6.8	-8.8	-1.3	-2.9	-15.3	8.9
EBITDA(INR/Ton)	13,824	11,344	12,334	9,931	11,245	9,437	8,398	11,746
Change (YoY %)	49.4	20.1	25.9	-22.8	-18.7	-16.8	-31.9	18.3
Change (QoQ %)	7.4	-17.9	8.7	-19.5	13.2	-16.1	-11.0	39.9

Sales lower due to lower production and COVID-19 impact.

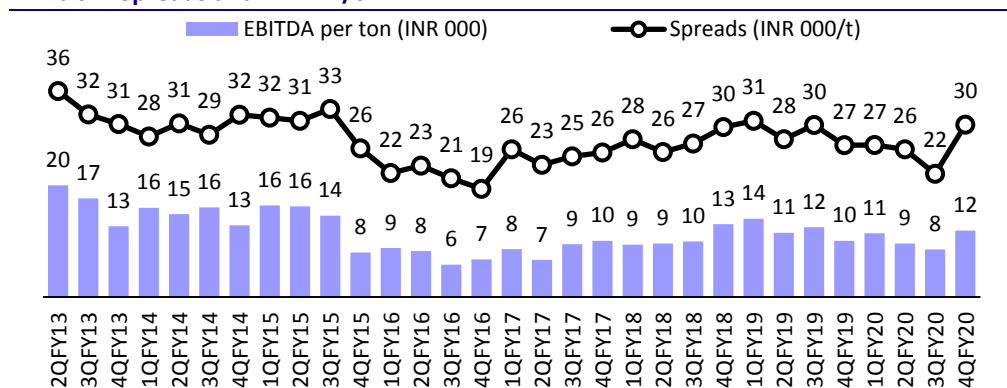
Exhibit 1: Standalone steel volumes and production (kt)



Source: MOFSL

EBITDA/t increased due to higher spreads led by higher realizations (part of spreads increased due to inventory build-up).

Exhibit 2: Spreads and EBITDA/t



Source: MOFSL

Exhibit 3: Quarterly performance (subsidiaries and associates)

Y/E March	FY19				FY20				FY19	FY20	INR million vs Est (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Sales volume (kt)												
Oman Steel	460	470	450	460	410	370	570	530	1,840	1,880	530	0
Net Sales	29,315	31,335	28,347	27,566	28,608	23,665	26,595	28,804	1,16,562	1,07,672	29,468	-2
Change (YoY %)	27.7	27.6	4.2	-3.2	-2.4	-24.5	-6.2	4.5	13.0	-7.6	6.9	
EBITDA	6,315	7,553	5,968	4,048	5,651	3,864	4,674	6,576	23,884	20,766	5,049	30
Change (YoY %)	4.7	28.1	-12.9	-34.5	-10.5	-48.8	-21.7	62.5	-4.3	-13.1	24.7	
As % of Net Sales	21.5	24.1	21.1	14.7	19.8	16.3	17.6	22.8	20.5	19.3	17.1	
Interest	3,676	4,100	4,073	1,836	4,121	3,732	3,682	3,853	13,684	15,387	3,645	6
Depreciation	4,633	4,489	4,635	5,089	4,865	4,567	4,477	4,824	18,845	18,733	4,477	8
Other Income	0	9	3	0	8	8	0	246	12	262	8	
PBT (before EO item)	-1,993	-1,027	-2,737	-2,877	-3,327	-4,425	-3,484	-1,856	-8,633	-13,092	-3,065	-39
Extra-ordinary Income	0	0	0	-13,666	0	0	0	1,838	-13,666	1,838	0	
PBT (after EO item)	-1,993	-1,027	-2,737	-16,542	-3,327	-4,425	-3,484	-18	-22,299	-11,254	-3,065	
Total Tax	230	8	-98	-973	-214	-281	-329	-257	-833	-1,081	204	
% Tax	-11.6	-0.8	3.6	5.9	6.4	6.3	9.4	1434.1	3.7	9.6	-6.7	
Reported PAT	-2,224	-1,035	-2,639	-15,569	-3,112	-4,145	-3,155	239	-21,466	-10,173	-3,269	

Source: MOFSL

Exhibit 4: Target price calculation

Y/E March	FY16	FY17	FY18	FY19	FY20E	FY21E	FY22E
Steel Business							
A. EBITDA				72,496	66,049	73,653	74,900
B. Target EV/EBITDA(x)							4.5
C. EV (AxB)							3,37,050
Jindal Power (JPL)							
D. PV of JPL's FCF							1,38,938
Consolidated							
EBITDA	34,410	46,613	64,691	84,056	78,539	86,365	89,179
E. Enterprise Value (C+D)							4,75,988
F. Net Debt	4,63,928	4,61,427	4,38,319	4,10,943	3,79,230	3,39,866	3,06,794
Equity Value (E-F)							1,69,194
Target price (INR/share)							166

Source: MOFSL, Company

Financials and Valuations

Income Statement (Consolidated)							(INR Million)	
Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
Net sales	2,01,592	1,83,709	2,10,194	2,76,244	3,93,721	3,69,955	3,59,655	4,13,395
Change (%)	4.5	-8.9	14.4	31.4	42.5	-6.0	-2.8	14.9
Total Expenses	1,46,994	1,49,299	1,63,581	2,11,553	3,09,666	2,91,416	2,73,289	3,24,216
EBITDA	54,598	34,410	46,613	64,691	84,056	78,539	86,365	89,179
% of Net Sales	27.1	18.7	22.2	23.4	21.3	21.2	24.0	21.6
Depn. & Amortization	27,328	28,194	39,490	38,830	41,938	41,604	41,880	41,649
EBIT	27,270	6,216	7,122	25,861	42,118	36,935	44,486	47,530
Net Interest	25,837	32,808	34,240	38,657	42,642	41,493	39,819	35,686
Other income	2,256	2,200	411	29	157	262		
PBT before EO	3,689	-24,391	-26,706	-12,767	-367	-4,296	4,667	11,844
EO income	-19,116	-2,358	-3,723	-5,874	-27,650	1,838	0	0
PBT after EO	-15,428	-26,750	-30,429	-18,641	-28,017	-2,458	4,667	11,844
Tax	-882	-6,763	-5,027	-2,398	-3,902	1,539	1,633	4,146
Rate (%)	5.7	25.3	16.5	12.9	13.9	-62.6	35.0	35.0
Reported PAT	-14,546	-19,987	-25,402	-16,243	-24,115	-3,996	3,033	7,699
Minority interests	-1,738	-980	-2,524	-2,064	-7,644	-3,025	-62	-141
Preference dividend		0	0	0	0	0	0	0
Share of Associates	26	-14	27	87	0	0	0	0
Adjusted PAT	6,335	-16,662	-19,128	-8,218	3,178	-2,808	3,095	7,840
Change (%)	-66.8	-363.0	14.8	-57.0	-138.7	-188.4	-210.2	153.3

Balance Sheet (Consolidated)							(INR Million)	
Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
Share Capital	915	915	915	968	968	1,020	1,020	1,020
Reserves	2,09,506	1,80,556	2,99,590	3,02,878	3,23,309	3,20,351	3,23,447	3,31,287
Net Worth	2,10,421	1,81,471	3,00,505	3,03,846	3,24,276	3,21,371	3,24,467	3,32,307
Minority Interest	8,573	8,003	6,467	4,403	-3,011	-7,764	-7,826	-7,968
Total Loans	4,55,007	4,70,132	4,66,571	4,43,104	4,15,227	3,88,749	3,70,749	3,30,749
Deferred Tax Liability	20,185	13,477	53,586	50,284	53,643	56,225	56,225	56,225
Capital Employed	6,94,185	6,73,082	8,27,129	8,01,638	7,90,135	7,58,580	7,43,614	7,11,312
Gross Block	6,12,235	6,27,116	7,83,127	8,46,580	9,00,003	9,50,772	9,60,772	9,70,772
Less: Accum. Deprn.	1,51,286	1,78,233	1,29,476	1,68,002	2,09,940	2,51,544	2,93,423	3,35,072
Net Fixed Assets	4,60,949	4,48,883	6,53,651	6,78,578	6,90,063	6,99,228	6,67,349	6,35,700
Capital WIP	90,728	1,18,266	97,162	49,775	40,272	19,745	16,745	13,745
Goodwill & Revaluation	5,485	5,485	5,670	5,922	6,164	6,098	6,098	6,098
Investments	17,852	3,577	3,677	1,458	1,452	1,430	1,430	1,430
Curr. Assets	1,80,353	1,59,182	1,45,820	1,56,572	1,57,902	1,70,917	1,89,666	1,97,167
Inventory	48,487	32,360	35,993	49,596	65,095	63,687	62,077	71,353
Account Receivables	16,907	14,292	17,166	18,261	30,292	35,493	34,487	39,641
Cash and Bank Balance	11,391	6,204	5,144	4,786	4,284	9,519	30,883	23,955
Loans & advances and others	1,03,568	1,06,326	87,517	83,930	58,231	62,219	62,219	62,219
Curr. Liability & Prov.	61,181	62,310	78,850	90,667	1,05,718	1,38,838	1,37,675	1,42,828
Account Payables	38,391	42,186	22,221	28,434	32,087	35,651	34,487	39,641
Provisions & Others	22,790	20,124	56,629	62,233	73,631	1,03,187	1,03,187	1,03,187
Net Current Assets	1,19,172	96,872	66,970	65,905	52,184	32,079	51,992	54,339
Appl. of Funds	6,94,185	6,73,082	8,27,129	8,01,638	7,90,135	7,58,581	7,43,614	7,11,313

Financials and Valuations

Ratios (Consolidated)

Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
Basic (INR)								
EPS	6.9	(18.2)	(20.9)	(8.5)	3.3	(2.8)	3.0	7.7
Cash EPS	14.0	9.0	15.4	23.3	18.4	36.9	44.0	48.4
BV/Share	230.0	198.4	328.4	313.9	335.0	315.1	318.1	325.8
DPS	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	27.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)								
P/E	15.8	(6.0)	(5.2)	(12.9)	33.3	(39.7)	36.1	14.2
Cash P/E	7.8	12.2	7.1	4.7	5.9	3.0	2.5	2.3
P/BV	0.5	0.6	0.3	0.3	0.3	0.3	0.3	0.3
EV/Sales	2.7	3.1	2.7	2.0	1.3	1.3	1.3	1.0
EV/EBITDA	10.0	16.4	12.0	8.4	6.1	6.2	5.2	4.7
Dividend Yield (%)	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return Ratios (%)								
EBITDA Margins (%)	27.1	18.7	22.2	23.4	21.3	21.2	24.0	21.6
Net Profit Margins (%)	3.1	(9.1)	(9.1)	(3.0)	0.8	(0.8)	0.9	1.9
RoE	2.9	(8.5)	(7.9)	(2.6)	1.0	(0.8)	1.0	2.4
RoCE (pre-tax)	4.5	1.2	1.0	3.2	5.3	4.8	5.9	6.5
RoIC (pre-tax)	5.5	1.1	1.1	3.6	5.7	5.1	6.3	7.0
Working Capital Ratios								
Fixed Asset Turnover (x)	0.4	0.3	0.3	0.4	0.5	0.5	0.5	0.6
Asset Turnover (x)	0.3	0.3	0.3	0.3	0.5	0.5	0.4	0.4
Inventory (Days)	88	64	63	66	60	63	63	63
Debtor (Days)	31	28	30	24	28	35	35	35
Payable (Days)	70	84	39	38	30	35	35	35
Leverage Ratio (x)								
Current Ratio	2.9	2.6	1.8	1.7	1.5	1.2	1.4	1.4
Interest Cover Ratio	1.1	0.2	0.2	0.7	1.0	0.9	1.1	1.3
Debt/Equity	2.1	2.6	1.5	1.4	1.3	1.2	1.0	0.9

Cash Flow Statement (Consolidated)

(INR Million)

Y/E March	2015	2016	2017	2018	2019	2020	2021	2022
EBITDA	54,598	34,410	46,613	64,691	84,056	78,539	86,365	89,179
Non cash exp. (income)	-21,600	-4,581	-1,020	2,853	1,262	1,569		
(Inc)/Dec in Wkg. Cap.	-18,154	11,762	7,190	-9,267	-23,983	-771	1,451	-9,276
Tax Paid	-3,393	-170	450	-553	296	35	-1,633	-4,146
others			15,840	14,101	22,001	15,894		
CF from Op. Activity	11,451	41,422	69,072	71,825	83,632	95,265	86,183	75,758
(Inc)/Dec in FA + CWIP	-50,964	-39,500	-24,975	-25,767	-14,333	-16,646	-7,000	-7,000
(Pur)/Sale of Investments	-13,430	15,904	5,164	12,299	2,436	339		
Acquisition in subsidiaries	367	1,052					0	0
Loans and advances	0	-1,337	-934	-2,376	3,044	-219		
Int. & Dividend Income	1,003	2,292	754	1,533	532	527	0	0
Other investing activities	-2,341	1,699	1,511	-533	-533			
CF from Inv. Activity	-65,365	-19,889	-18,481	-14,845	-8,853	-15,999	-7,000	-7,000
Equity raised/(repaid)	5	0	0	13,883	0	5,129		
Debt raised/(repaid)	90,704	9,230	-10,256	-24,391	-30,260	-40,676	-18,000	-40,000
Dividend (incl. tax)	-1,448	-8	0	15	-18	-18	0	0
Interest paid	-34,381	-35,941	-41,396	-46,845	-45,699	-40,054	-39,819	-35,686
Other financing	271	0						
CF from Fin. Activity	55,151	-26,719	-51,651	-57,338	-75,977	-75,620	-57,819	-75,686
(Inc)/Dec in Cash	1,238	-5,187	-1,060	-358	-1,199	3,647	21,364	-6,928
Add: opening Balance	10,153	11,391	6,204	5,144	4,786	4,284	9,519	30,883
Closing Balance	11,391	6,204	5,144	4,786	3,587	7,931	30,883	23,955

NOTES

Explanation of Investment Rating	
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

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