

May 26, 2020

## Q4FY20 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

### Change in Estimates

|                | Current  |          | Previous |          |
|----------------|----------|----------|----------|----------|
|                | FY21E    | FY22E    | FY21E    | FY22E    |
| Rating         | BUY      |          | BUY      |          |
| Target Price   | 150      |          | 150      |          |
| Sales (Rs. m)  | 3,55,682 | 3,96,566 | 3,57,497 | 4,02,143 |
| % Chng.        | (0.5)    | (1.4)    |          |          |
| EBITDA (Rs. m) | 76,950   | 84,437   | 82,505   | 83,432   |
| % Chng.        | (6.7)    | 1.2      |          |          |
| EPS (Rs.)      | (5.8)    | 1.0      | 3.7      | 3.7      |
| % Chng.        | (255.5)  | (73.6)   |          |          |

### Key Financials - Consolidated

| Y/e Mar        | FY19     | FY20     | FY21E    | FY22E    |
|----------------|----------|----------|----------|----------|
| Sales (Rs. m)  | 3,95,195 | 3,69,956 | 3,55,682 | 3,96,566 |
| EBITDA (Rs. m) | 84,056   | 78,539   | 76,950   | 84,437   |
| Margin (%)     | 21.3     | 21.2     | 21.6     | 21.3     |
| PAT (Rs. m)    | (883)    | (2,929)  | (5,900)  | 993      |
| EPS (Rs.)      | (0.9)    | (2.9)    | (5.8)    | 1.0      |
| Gr. (%)        | (93.3)   | 230.4    | 102.2    | (116.8)  |
| DPS (Rs.)      | -        | -        | -        | -        |
| Yield (%)      | -        | -        | -        | -        |
| RoE (%)        | (0.3)    | (0.9)    | (1.8)    | 0.3      |
| RoCE (%)       | 5.8      | 5.5      | 5.3      | 6.5      |
| EV/Sales (x)   | 1.3      | 1.1      | 1.3      | 1.0      |
| EV/EBITDA (x)  | 6.0      | 5.2      | 5.8      | 4.9      |
| PE (x)         | (125.6)  | (38.0)   | (18.8)   | 111.7    |
| P/BV (x)       | 0.3      | 0.3      | 0.3      | 0.3      |

### Key Data

JNSP.BO | JSP IN

|                     |                     |
|---------------------|---------------------|
| 52-W High / Low     | Rs.202 / Rs.62      |
| Sensex / Nifty      | 30,609 / 9,029      |
| Market Cap          | Rs.111bn/ \$ 1,471m |
| Shares Outstanding  | 1,020m              |
| 3M Avg. Daily Value | Rs.4894.72m         |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 60.48 |
| Foreign                 | 13.40 |
| Domestic Institution    | 11.92 |
| Public & Others         | 14.20 |
| Promoter Pledge (Rs bn) | 50.43 |

### Stock Performance (%)

|          | 1M   | 6M     | 12M    |
|----------|------|--------|--------|
| Absolute | 37.9 | (30.2) | (32.2) |
| Relative | 41.1 | (6.8)  | (12.6) |

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## Delivers on all front; Maintain BUY

### Quick Pointers:

- Led by strong EBITDA and lower interest cost, PBT turned positive
- Strong push in exports would help maintain overall volumes in May

**Jindal steel & Power's (JSP) Q4FY20 EBITDA came ahead of our/consensus estimates by 11%/9% at Rs22.2b, led by higher margins in India and Shaded steel operations. EBITDA of Domestic steel/Shadeed/Jindal power (JPL) rose 16%/93%/30% QoQ (+8%/+82%/25% YoY). Aided by lower interest cost, quarter turned black with PBT (before exceptional) of Rs1.9bn (PLe:loss of Rs1.5bn) against loss of Rs2.0bn/Rs4.0bn in Q3FY20/Q4FY19.**

**Net debt rose marginally 1.3%/Rs4.6bn QoQ (↓8% YoY/Rs31.7bn) to Rs359.2bn due to adverse FX translation of Rs7.4bn. It would continue to reduce debt by Rs25-30bn on the back of higher utilisations, lean capex and lower iron ore cost with the availability of inventory lying at Sarda mines. Our debt reduction estimates do not factor saving from restructuring of debt in Australian operations and realisation of dues from SEBs. In spite of weak domestic demand, JSP maintained its volumes at last year levels in April and May on the back of strong push in exports. Lower realisations in exports would be offset by lower iron ore and coking coal cost. Driven by steady reduction in debt and stable operations, we reiterate BUY with TP of Rs150.**

- Strong show across operations:** Domestic steel volumes fell 22% QoQ (↓11% YoY) to 1.29mnt (PLe:1.28mnt). Blended realisations rose 11% QoQ/Rs4,730 at Rs45,970, ahead of our estimate of Rs44,045. Hence, it beat our EBITDA/t estimate by 15% at Rs12,100 (PLe:10,510), up 44% QoQ/22% YoY. Shadeed steel operation's EBITDA came above our estimates at US\$64mn (PLe:US\$55mn) on account of better than expected realisations. Due to lower costs and flat realisations, JPL's EBITDA rose 30% QoQ/+25% YoY at Rs3.3bn (PLe:Rs3.2bn).

- Key highlights of con-call:** **1)** Standalone/Consolidated debt due for repayment stands at Rs16.3bn/Rs61bn in FY21e **2)** will raise US\$500-700mn through bonds to repay the overseas debt **3)** Aailed moratorium on principal + interest liability of Rs22bn **4)** Capex guidance for FY21e at Rs6-8bn **5)** Exported 450kt in the quarter till yesterday with diversified market mix **6)** 200kt production loss on account of 40 days planned shutdown of Angul Blast Furnace (BF) in Q4FY20; BF currently producing 10ktpd (~3.6mtpa) **7)** Awaiting clarity from Govt on incentives on coal gasification plant (JSP operates 1.8mnt gas based DRI plant at Angul) **8)** JPL's 43% of capacity operating in Apr-May'20 **9)** Expect signing of 420MW of PPA by end of July'20 followed by supply of power from October'20 **10)** Due to slump in coal demand, JPL managed to book coal till Aug'20 at zero premium **11)** Seeing domestic steel EBITDA margins for Q1FY21e at Rs9,000/t and Rs9000+ for FY21e

**Exhibit 1: Q4FY20 Result Overview (Rs m)**

| Y/e March  | Q4FY20        | Q4FY19          | YoY gr. (%)   | Q3FY20         | FY20            | FY19            | YoY gr. (%)   |
|--|---------------|-----------------|---------------|----------------|-----------------|-----------------|---------------|
| <b>Net Sales</b>                                 | <b>88,107</b> | <b>1,01,590</b> | <b>(13.3)</b> | <b>92,998</b>  | <b>3,69,956</b> | <b>3,93,722</b> | <b>(6.0)</b>  |
| Raw Material                                     | 27,499        | 43,450          | (36.7)        | 41,809         | 1,46,646        | 1,62,349        | (9.7)         |
| <i>% of Net Sales</i>                            | <i>31.2</i>   | <i>42.8</i>     |               | <i>45.0</i>    | <i>39.6</i>     | <i>41.2</i>     |               |
| Staff Costs                                      | 2,934         | 2,787           | 5.3           | 2,743          | 11,121          | 10,719          | 3.8           |
| <i>% of Net Sales</i>                            | <i>3.3</i>    | <i>2.7</i>      |               | <i>2.9</i>     | <i>3.0</i>      | <i>2.7</i>      |               |
| Other Expenses                                   | 35,628        | 36,228          | (1.7)         | 30,461         | 1,34,604        | 1,38,072        | (2.5)         |
| <i>% of Net Sales</i>                            | <i>40.4</i>   | <i>35.7</i>     |               | <i>32.8</i>    | <i>36.4</i>     | <i>35.1</i>     |               |
| Cost of captive sales                            | (152)         | 678             | NA            | (211)          | (954)           | (1,474)         | (35.3)        |
| <i>% of Net Sales</i>                            | <i>(0.2)</i>  | <i>0.7</i>      |               | <i>(0.2)</i>   | <i>(0.3)</i>    | <i>(0.4)</i>    |               |
| Total Expenditure                                | 65,909        | 83,142          | (20.7)        | 74,803         | 2,91,416        | 3,09,666        | (5.9)         |
| <b>EBITDA</b>                                    | <b>22,198</b> | <b>18,447</b>   | <b>20.3</b>   | <b>18,196</b>  | <b>78,539</b>   | <b>84,056</b>   | <b>(6.6)</b>  |
| <i>Margin (%)</i>                                | <i>25.2</i>   | <i>18.2</i>     |               | <i>19.6</i>    | <i>21.2</i>     | <i>21.3</i>     |               |
| Depreciation                                     | 10,500        | 10,867          | (3.4)         | 10,179         | 41,604          | 41,938          | (0.8)         |
| Other income                                     | 246           | -               | -             | 0              | 262             | 157             | -             |
| <b>EBIT</b>                                      | <b>11,944</b> | <b>7,580</b>    | <b>57.6</b>   | <b>8,017</b>   | <b>37,197</b>   | <b>42,275</b>   | <b>(12.0)</b> |
| Interest   | 10,078        | 11,631          | (13.3)        | 10,024         | 41,493          | 42,642          | (2.7)         |
| <b>PBT</b>                                       | <b>1,865</b>  | <b>(4,051)</b>  | <b>NA</b>     | <b>(2,008)</b> | <b>(4,296)</b>  | <b>(366)</b>    | <b>NA</b>     |
| Extraordinary income/(expense)                   | 1,838         | (30,204)        |               | -              | 1,838           | (27,650)        |               |
| <b>PBT (After EO)</b>                            | <b>3,704</b>  | <b>(34,255)</b> | <b>NA</b>     | <b>(2,008)</b> | <b>(2,458)</b>  | <b>(28,016)</b> | <b>NA</b>     |
| Tax  | 647           | (7,122)         | NA            | 178            | 1,539           | (3,902)         | NA            |
| <i>% PBT</i>                                     | <i>17.5</i>   | <i>20.8</i>     |               | <i>(8.9)</i>   | <i>(62.6)</i>   | <i>13.9</i>     |               |
| <b>Reported PAT</b>                              | <b>3,056</b>  | <b>(27,133)</b> | <b>NA</b>     | <b>(2,185)</b> | <b>(3,996)</b>  | <b>(24,114)</b> | <b>NA</b>     |
| Minority interest                                | (1,006)       | (5,676)         | NA            | 57             | (2,905)         | (7,662)         | NA            |
| Net profit attributable to shareholders          | 4,062         | (21,458)        | NA            | (2,242)        | (1,091)         | (16,453)        | NA            |
| <b>Adjusted PAT attributable to shareholders</b> | <b>2,224</b>  | <b>8,746</b>    | <b>NA</b>     | <b>(2,242)</b> | <b>(2,929)</b>  | <b>11,197</b>   | <b>NA</b>     |

Source: Company, PL

**Exhibit 2: Operating Metrics**

| Y/e March                         | Q4FY20    | Q4FY19    | YoY gr. (%) | Q3FY20    | FY20      | FY19      | YoY gr. (%) |
|-----------------------------------|-----------|-----------|-------------|-----------|-----------|-----------|-------------|
| <b>Standalone operations</b>      |           |           |             |           |           |           |             |
| Steel products (000 tonnes)       | 12,90,000 | 14,50,000 | (11.0)      | 16,10,000 | 56,60,000 | 51,20,000 | 10.5        |
| Revenue (Rs mn)                   | 59,303    | 74,024    | (19.9)      | 66,403    | 2,62,283  | 2,77,160  | (5.4)       |
| EBITDA (Rs mn)                    | 15,622    | 14,400    | 8.5         | 13,521    | 57,773    | 60,172    | (4.0)       |
| Per tonne                         | 12,110    | 9,931     | 21.9        | 8,398     | 10,207    | 11,752    | (13.1)      |
| Reported PAT (Rs mn)              | 2,817     | (11,542)  | (124.4)     | 969       | 6,177     | (2,627)   | (335.1)     |
| Adjusted PAT (Rs mn)              | 2,817     | 4,996     | (43.6)      | 969       | 6,177     | 11,357    | (45.6)      |
| <b>Jindal power Ltd</b>           |           |           |             |           |           |           |             |
| Gross power generation (Mn units) | 2,430     | 2,609     | (6.9)       | 1,900     | 9,583     | 10,396    | (7.8)       |
| Revenue (Rs mn)                   | 9,130     | 9,990     | (8.6)       | 7,840     | 37,580    | 38,680    | (2.8)       |
| EBITDA (Rs mn)                    | 3,330     | 2,670     | 24.7        | 2,570     | 12,490    | 11,560    | 8.0         |
| EBITDA/unit (Rs)                  | 1.5       | 1.1       | 33.9        | 1.5       | 1.4       | 1.2       | 17.2        |
| Adjusted PAT (Rs mn)              | (1,340)   | (680)     | NA          | (830)     | (9,900)   | (6,680)   | NA          |
| <b>Shadeed Iron and steel</b>     |           |           |             |           |           |           |             |
| Steel sales volumes (000 tonnes)  | 530       | 460       | 15.2        | 570       | 1,880     | 1,800     | 4.4         |
| EBITDA (US\$m)                    | 64        | 35        | 82.3        | 33        | 139       | 181       | (23.3)      |
| Per tonne                         | 120       | 76        | 58.2        | 58        | 74        | 101       | (26.6)      |

Source: Company, PL

## Financials

### Income Statement (Rs m)

| Y/e Mar                       | FY19            | FY20            | FY21E           | FY22E           |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net Revenues</b>           | <b>3,95,195</b> | <b>3,69,956</b> | <b>3,55,682</b> | <b>3,96,566</b> |
| YoY gr. (%)                   | 41.3            | (6.4)           | (3.9)           | 11.5            |
| Cost of Goods Sold            | 3,11,139        | 2,91,416        | 2,78,732        | 3,12,128        |
| Gross Profit                  | 84,056          | 78,539          | 76,950          | 84,437          |
| Margin (%)                    | 21.3            | 21.2            | 21.6            | 21.3            |
| Employee Cost                 | -               | -               | -               | -               |
| Other Expenses                | -               | -               | -               | -               |
| <b>EBITDA</b>                 | <b>84,056</b>   | <b>78,539</b>   | <b>76,950</b>   | <b>84,437</b>   |
| YoY gr. (%)                   | 29.9            | (6.6)           | (2.0)           | 9.7             |
| Margin (%)                    | 21.3            | 21.2            | 21.6            | 21.3            |
| Depreciation and Amortization | 41,938          | 41,604          | 42,510          | 42,522          |
| <b>EBIT</b>                   | <b>42,118</b>   | <b>36,935</b>   | <b>34,439</b>   | <b>41,916</b>   |
| Margin (%)                    | 10.7            | 10.0            | 9.7             | 10.6            |
| Net Interest                  | 42,642          | 41,493          | 40,893          | 39,491          |
| Other Income                  | 157             | 262             | -               | -               |
| <b>Profit Before Tax</b>      | <b>(28,017)</b> | <b>(2,458)</b>  | <b>(6,453)</b>  | <b>2,425</b>    |
| Margin (%)                    | (7.1)           | (0.7)           | (1.8)           | 0.6             |
| Total Tax                     | (3,902)         | 1,539           | 2,433           | 4,275           |
| Effective tax rate (%)        | 13.9            | (62.6)          | (37.7)          | 176.3           |
| <b>Profit after tax</b>       | <b>(24,115)</b> | <b>(3,996)</b>  | <b>(8,887)</b>  | <b>(1,850)</b>  |
| Minority interest             | (7,662)         | (2,905)         | (2,986)         | (2,843)         |
| Share Profit from Associate   | -               | -               | -               | -               |
| <b>Adjusted PAT</b>           | <b>(883)</b>    | <b>(2,929)</b>  | <b>(5,900)</b>  | <b>993</b>      |
| YoY gr. (%)                   | (93.3)          | 231.7           | 101.4           | (116.8)         |
| Margin (%)                    | (0.2)           | (0.8)           | (1.7)           | 0.3             |
| Extra Ord. Income / (Exp)     | (27,650)        | 1,838           | -               | -               |
| <b>Reported PAT</b>           | <b>(16,453)</b> | <b>(1,091)</b>  | <b>(5,900)</b>  | <b>993</b>      |
| YoY gr. (%)                   | 16.8            | (93.4)          | 440.7           | (116.8)         |
| Margin (%)                    | (4.2)           | (0.3)           | (1.7)           | 0.3             |
| Other Comprehensive Income    | -               | -               | -               | -               |
| Total Comprehensive Income    | (16,453)        | (1,091)         | (5,900)         | 993             |
| <b>Equity Shares O/s (m)</b>  | <b>1,016</b>    | <b>1,020</b>    | <b>1,016</b>    | <b>1,016</b>    |
| <b>EPS (Rs)</b>               | <b>(0.9)</b>    | <b>(2.9)</b>    | <b>(5.8)</b>    | <b>1.0</b>      |

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

| Y/e Mar                               | FY19            | FY20            | FY21E           | FY22E           |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Non-Current Assets</b>             |                 |                 |                 |                 |
| <b>Gross Block</b>                    | <b>9,10,998</b> | <b>9,50,257</b> | <b>9,37,215</b> | <b>9,46,540</b> |
| Tangibles                             | 9,10,998        | 9,50,257        | 9,37,215        | 9,46,540        |
| Intangibles                           | -               | -               | -               | -               |
| <b>Acc: Dep / Amortization</b>        | <b>2,20,935</b> | <b>2,62,539</b> | <b>3,05,730</b> | <b>3,48,252</b> |
| Tangibles                             | 2,20,935        | 2,62,539        | 3,05,730        | 3,48,252        |
| Intangibles                           | -               | -               | -               | -               |
| <b>Net fixed assets</b>               | <b>6,90,063</b> | <b>6,87,718</b> | <b>6,31,484</b> | <b>5,98,288</b> |
| Tangibles                             | 6,90,063        | 6,87,718        | 6,31,484        | 5,98,288        |
| Intangibles                           | -               | -               | -               | -               |
| Capital Work In Progress              | 47,806          | 31,255          | 37,929          | 37,124          |
| Goodwill                              | 6,164           | 6,098           | 6,164           | 6,164           |
| Non-Current Investments               | 5,059           | 2,024           | 5,059           | 5,059           |
| Net Deferred tax assets               | (53,643)        | (56,226)        | (57,116)        | (60,985)        |
| Other Non-Current Assets              | 3,629           | 10,335          | 3,629           | 3,629           |
| <b>Current Assets</b>                 |                 |                 |                 |                 |
| Investments                           | 50              | 376             | 50              | 50              |
| Inventories                           | 65,095          | 63,687          | 59,822          | 62,835          |
| Trade receivables                     | 30,292          | 35,493          | 29,016          | 30,338          |
| Cash & Bank Balance                   | 4,234           | 9,143           | 10,841          | 11,468          |
| Other Current Assets                  | 36,009          | 44,577          | 34,112          | 35,756          |
| <b>Total Assets</b>                   | <b>8,95,853</b> | <b>8,97,420</b> | <b>8,25,559</b> | <b>7,98,164</b> |
| <b>Equity</b>                         |                 |                 |                 |                 |
| Equity Share Capital                  | 1,016           | 1,020           | 1,016           | 1,016           |
| Other Equity                          | 3,23,261        | 3,20,351        | 3,16,769        | 3,17,762        |
| <b>Total Networkth</b>                | <b>3,24,276</b> | <b>3,21,371</b> | <b>3,17,785</b> | <b>3,18,778</b> |
| <b>Non-Current Liabilities</b>        |                 |                 |                 |                 |
| Long Term borrowings                  | 3,95,590        | 3,06,754        | 3,45,590        | 3,12,590        |
| Provisions                            | 3,147           | 2,966           | 3,147           | 3,147           |
| Other non current liabilities         | 4               | 6               | 4               | 4               |
| <b>Current Liabilities</b>            |                 |                 |                 |                 |
| ST Debt / Current of LT Debt          | -               | -               | -               | -               |
| Trade payables                        | 52,473          | 55,772          | 48,456          | 52,803          |
| Other current liabilities             | 65,640          | 1,48,971        | 58,251          | 57,490          |
| <b>Total Equity &amp; Liabilities</b> | <b>8,95,853</b> | <b>8,97,420</b> | <b>8,25,559</b> | <b>7,98,164</b> |

Source: Company Data, PL Research

**Cash Flow (Rs m)**

| Y/e Mar                              | FY19            | FY20            | FY21E           | FY22E           |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| PBT                                  | (28,017)        | (2,458)         | (6,453)         | -               |
| Add. Depreciation                    | 54,804          | 38,672          | 42,510          | 42,522          |
| Add. Interest                        | 42,642          | 41,493          | 40,893          | 39,491          |
| Less Financial Other Income          | 157             | 262             | -               | -               |
| Add. Other                           | 15,890          | 2,396           | -               | -               |
| Op. profit before WC changes         | 85,318          | 80,103          | 76,950          | 82,012          |
| Net Changes-WC                       | 4,654           | 15,127          | (3,156)         | (2,394)         |
| Direct tax                           | 296             | 35              | (179)           | (405)           |
| <b>Net cash from Op. activities</b>  | <b>90,269</b>   | <b>95,264</b>   | <b>73,614</b>   | <b>79,213</b>   |
| Capital expenditures                 | (11,897)        | (16,307)        | (8,270)         | (8,520)         |
| Interest / Dividend Income           | -               | -               | -               | -               |
| Others                               | 3,576           | 308             | -               | -               |
| <b>Net Cash from Inv. activities</b> | <b>(8,321)</b>  | <b>(15,999)</b> | <b>(8,270)</b>  | <b>(8,520)</b>  |
| Issue of share cap. / premium        | -               | 5,129           | -               | -               |
| Debt changes                         | (36,897)        | (38,507)        | (20,000)        | (33,000)        |
| Dividend paid                        | -               | -               | -               | -               |
| Interest paid                        | (45,699)        | (40,054)        | (40,893)        | (39,491)        |
| Others                               | (18)            | (2,187)         | -               | -               |
| <b>Net cash from Fin. activities</b> | <b>(82,614)</b> | <b>(75,620)</b> | <b>(60,893)</b> | <b>(72,491)</b> |
| <b>Net change in cash</b>            | <b>(666)</b>    | <b>3,646</b>    | <b>4,452</b>    | <b>(1,798)</b>  |
| Free Cash Flow                       | 75,936          | 78,619          | 65,344          | 70,693          |

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

| Y/e Mar                           | Q1FY20        | Q2FY20         | Q3FY20         | Q4FY20         |
|-----------------------------------|---------------|----------------|----------------|----------------|
| <b>Net Revenue</b>                | <b>99,456</b> | <b>89,395</b>  | <b>92,998</b>  | <b>83,491</b>  |
| YoY gr. (%)                       | 2.9           | (10.4)         | (2.8)          | (17.8)         |
| Raw Material Expenses             | 40,826        | 36,512         | 41,809         | -              |
| Gross Profit                      | 58,630        | 52,883         | 51,190         | 83,491         |
| Margin (%)                        | 59.0          | 59.2           | 55.0           | 100.0          |
| <b>EBITDA</b>                     | <b>21,731</b> | <b>16,415</b>  | <b>18,196</b>  | <b>19,985</b>  |
| YoY gr. (%)                       | (4.5)         | (25.6)         | (12.4)         | 8.3            |
| Margin (%)                        | 21.8          | 18.4           | 19.6           | 23.9           |
| Depreciation / Depletion          | 10,536        | 10,390         | 10,179         | 10,500         |
| <b>EBIT</b>                       | <b>11,195</b> | <b>6,026</b>   | <b>8,016</b>   | <b>9,485</b>   |
| Margin (%)                        | 11.3          | 6.7            | 8.6            | 11.4           |
| Net Interest                      | 11,090        | 10,301         | 10,024         | 11,000         |
| Other Income                      | 8             | 8              | -              | 1              |
| <b>Profit before Tax</b>          | <b>113</b>    | <b>(4,266)</b> | <b>(2,008)</b> | <b>(1,514)</b> |
| Margin (%)                        | 0.1           | (4.8)          | (2.2)          | (1.8)          |
| Total Tax                         | 987           | (273)          | 178            | 140            |
| Effective tax rate (%)            | 875.5         | 6.4            | (8.9)          | (9.2)          |
| <b>Profit after Tax</b>           | <b>(874)</b>  | <b>(3,993)</b> | <b>(2,185)</b> | <b>(1,653)</b> |
| Minority interest                 | (968)         | (988)          | 57             | 60             |
| Share Profit from Associates      | -             | -              | -              | -              |
| <b>Adjusted PAT</b>               | <b>94</b>     | <b>(3,005)</b> | <b>(2,242)</b> | <b>(1,713)</b> |
| YoY gr. (%)                       | (94.8)        | (440.7)        | 835.5          | (119.6)        |
| Margin (%)                        | 0.1           | (3.4)          | (2.4)          | (2.1)          |
| Extra Ord. Income / (Exp)         | -             | -              | -              | -              |
| <b>Reported PAT</b>               | <b>94</b>     | <b>(3,005)</b> | <b>(2,242)</b> | <b>(1,713)</b> |
| YoY gr. (%)                       | (94.8)        | (187.4)        | 835.5          | (92.0)         |
| Margin (%)                        | 0.1           | (3.4)          | (2.4)          | (2.1)          |
| Other Comprehensive Income        | -             | -              | -              | -              |
| <b>Total Comprehensive Income</b> | <b>94</b>     | <b>(3,005)</b> | <b>(2,242)</b> | <b>(1,713)</b> |
| Avg. Shares O/s (m)               | -             | -              | -              | -              |
| <b>EPS (Rs)</b>                   | <b>-</b>      | <b>-</b>       | <b>-</b>       | <b>-</b>       |

Source: Company Data, PL Research

**Key Financial Metrics**

| Y/e Mar                    | FY19    | FY20   | FY21E  | FY22E |
|----------------------------|---------|--------|--------|-------|
| <b>Per Share(Rs)</b>       |         |        |        |       |
| EPS                        | (0.9)   | (2.9)  | (5.8)  | 1.0   |
| CEPS                       | 40.4    | 37.9   | 36.0   | 42.8  |
| BVPS                       | 319.2   | 315.1  | 312.8  | 313.8 |
| FCF                        | 74.7    | 77.1   | 64.3   | 69.6  |
| DPS                        | -       | -      | -      | -     |
| <b>Return Ratio(%)</b>     |         |        |        |       |
| RoCE                       | 5.8     | 5.5    | 5.3    | 6.5   |
| ROIC                       | 5.0     | 9.0    | 7.5    | (5.0) |
| RoE                        | (0.3)   | (0.9)  | (1.8)  | 0.3   |
| <b>Balance Sheet</b>       |         |        |        |       |
| Net Debt : Equity (x)      | 1.2     | 0.9    | 1.1    | 0.9   |
| Net Working Capital (Days) | 40      | 43     | 41     | 37    |
| <b>Valuation(x)</b>        |         |        |        |       |
| PER                        | (125.6) | (38.0) | (18.8) | 111.7 |
| P/B                        | 0.3     | 0.3    | 0.3    | 0.3   |
| P/CEPS                     | 2.7     | 2.9    | 3.0    | 2.5   |
| EV/EBITDA                  | 6.0     | 5.2    | 5.8    | 4.9   |
| EV/Sales                   | 1.3     | 1.1    | 1.3    | 1.0   |
| Dividend Yield (%)         | -       | -      | -      | -     |

Source: Company Data, PL Research

**Key Operating Metrics**

| Y/e Mar                       | FY19      | FY20      | FY21E     | FY22E     |
|-------------------------------|-----------|-----------|-----------|-----------|
| <b>Standalone operations</b>  |           |           |           |           |
| Metallics Sales (Tonnes)      | 105       | 20        | 48        | 7         |
| Steel Prod. Sales (Tonnes)    | 51,20,000 | 56,52,387 | 56,49,550 | 60,27,575 |
| Steel Sales Vol. (Tonnes)     | 51,20,105 | 56,52,407 | 56,49,597 | 60,27,582 |
| Real. / tn-Steel              | 54,132    | 33,260    | 30,937    | 32,429    |
| JSPL-Pwr (m kwh)              |           | 2,954     | 1,768     | 2,724     |
| JSPL-Real/ Kwh                | 3         | 3         | 3         | 3         |
| Stdalon Steel EBITDA(Rs m)    | 60,170    | 56,884    | 58,776    | 60,619    |
| Stdalon Pwr EBITDA(Rs m)      |           | 886       | 531       | 817       |
| Stdalon Total EBITDA (Rs m)   | 60,170    | 57,770    | 59,306    | 61,437    |
| Stdalon PAT (Rs m)            | 3,823     | 6,065     | 8,236     | 10,248    |
| <b>Jindal Power Ltd</b>       |           |           |           |           |
| JPL-Kwh sold (m)              | 9,935     | 10,128    | 10,083    | 12,074    |
| JPL-Rate / Kwh                | 4         | 4         | 4         | 4         |
| JPL-EBITDA(Rsm)               | 11,738    | 12,468    | 11,656    | 15,329    |
| JPL-PAT (Rs m)                | (7,236)   | (5,082)   | (4,570)   | 118       |
| <b>Shadeed iron and Steel</b> |           |           |           |           |
| Shadeed EBITDA (US\$ m)       | 181       | 138       | 99        | 120       |
| PAT (US\$ m)                  | 85        | 48        | 14        | 32        |

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


| No. | Date      | Rating     | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|------------|----------|-------------------|
| 1   | 20-Apr-20 | BUY        | 150      | 92                |
| 2   | 20-Jan-20 | BUY        | 205      | 179               |
| 3   | 14-Jan-20 | BUY        | 190      | 178               |
| 4   | 03-Jan-20 | BUY        | 185      | 172               |
| 5   | 06-Nov-19 | BUY        | 170      | 135               |
| 6   | 04-Nov-19 | BUY        | 170      | 137               |
| 7   | 03-Oct-19 | Accumulate | 125      | 96                |
| 8   | 12-Sep-19 | Accumulate | 125      | 107               |
| 9   | 19-Aug-19 | Accumulate | 128      | 103               |
| 10  | 04-Jul-19 | BUY        | 170      | 142               |

**Analyst Coverage Universe**

| Sr. No. | Company Name             | Rating     | TP (Rs) | Share Price (Rs) |
|---------|--------------------------|------------|---------|------------------|
| 1       | ACC                      | BUY        | 1,340   | 1,137            |
| 2       | Ambuja Cement            | BUY        | 190     | 172              |
| 3       | Coal India               | Accumulate | 195     | 149              |
| 4       | Heidelberg Cement India  | Accumulate | 175     | 147              |
| 5       | Hindalco Industries      | BUY        | 170     | 118              |
| 6       | Hindustan Zinc           | Accumulate | 195     | 169              |
| 7       | J.Kumar Infraprojects    | BUY        | 340     | 185              |
| 8       | Jindal Steel & Power     | BUY        | 150     | 92               |
| 9       | JK Lakshmi Cement        | BUY        | 340     | 206              |
| 10      | JSW Steel                | Reduce     | 140     | 166              |
| 11      | NMDC                     | Hold       | 90      | 80               |
| 12      | Shree Cement             | Hold       | 16,900  | 18,733           |
| 13      | Steel Authority of India | Reduce     | 25      | 28               |
| 14      | Tata Steel               | Reduce     | 242     | 293              |
| 15      | The Ramco Cements        | Reduce     | 725     | 810              |
| 16      | Ultratech Cement         | BUY        | 4,350   | 3,546            |

**PL's Recommendation Nomenclature (Absolute Performance)**

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>Buy</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |

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