

Estimate change

TP change

Rating change


Bloomberg	JSTL IN
Equity Shares (m)	2,417
M.Cap.(INRb)/(USD\$b)	907.9 / 13
52-Week Range (INR)	413 / 133
1, 6, 12 Rel. Per (%)	-3/52/22
12M Avg Val (INR M)	2471

Financials & Valuations (INR b)

Y/E MARCH	2021E	2022E	2023E
Sales	774	1,005	1,021
EBITDA	192.1	248.2	233.4
Adj. PAT	73.7	105.4	96.4
EBITDA Margin (%)	24.8	24.7	22.9
Adj. EPS (INR)*	30.7	43.9	40.2
EPS Gr. (%)	239.7	43.1	-8.6
BV/Sh. (INR)	180.9	222.7	257.5

Ratios

Net D:E	1.4	1.1	0.9
RoE (%)	18.4	21.8	16.7
RoCE (%)	8.8	11.3	9.8
Payout (%)	6.5	4.6	12.9

Valuations

P/E (x)	12.2	8.5	9.3
P/BV (x)	2.1	1.7	1.5
EV/EBITDA(x)	7.8	6.0	6.1
Div. Yield (%)	0.5	0.5	1.4
FCF Yield (%)	7.9	10.7	24.2

*Cons.

Shareholding pattern (%)

As On	Dec-20	Sep-20	Dec-19
Promoter	44.1	44.1	42.3
DII	6.8	6.4	4.6
FII	13.8	13.9	18.3
Others	35.3	35.7	34.8

FII Includes depository receipts

CMP: INR375
TP: INR435 (+16%)
Buy
Robust quarter; 4QFY21 to be even stronger
Reiterate Buy on strong earnings outlook

- JSTL reaped the benefits of higher pricing as consolidated EBITDA/PAT grew 40%/80% QoQ to INR59.1b/INR26.8b, beating our estimates by ~12%/19%. Standalone EBITDA/t was at a record high of INR14,444 (v/s our estimate of INR13,123).
- We expect 4QFY21E EBITDA margin to be even stronger ~INR18,000/t as spot steel price is ~INR9,000/t higher than its 3Q average. We raise our FY21E EBITDA by 8% to factor in strong pricing. Maintain **Buy**.

Consolidated EBITDA up 170% YoY/40% QoQ on strong steel spreads

- Consolidated EBITDA rose 40% QoQ (170% YoY) to INR59.5b (v/s our estimate of INR53b) on higher spreads. Adjusted PAT was up 80% QoQ to INR26.8b. The beat was led by higher-than-expected realization in India.
- Standalone (S/A) EBITDA** grew 35% QoQ (133% YoY) led by ~22% realization growth, which drove 42% rise in EBITDA/unit to INR14,444/t (v/s our estimate of INR13,123/t). Blended realization included ~INR1300/t contribution from higher iron ore sales. Volume declined 5% QoQ to 3.9mt due to lower exports (only 10% of sales v/s 28% in 2QFY21).
- EBITDA for subsidiaries** rose to INR3.1b from INR0.8b in 2QFY21, led by 38% QoQ rise in JSW Steel Coated's EBITDA to INR4b. While loss in JSTL's three key overseas subsidiaries remained high at INR2.1b (v/s loss of INR2.1b in 2QFY21), we expect it to decline to INR1b in 4QFY21.
- Net debt declined INR11b QoQ to INR518b despite an INR15.5b infusion in Asian Color Coated. Net debt-to-EBITDA fell to 3.53x.
- 9MFY21 revenue/EBITDA/adjusted PAT stood at INR527b/INR115b/INR36b, -4%/+41%/+220% YoY.

Highlights from the management commentary

- The management expects Indian steel demand to grow 10-12% YoY in FY22 and prices to be at a discount to current import parity.
- It lowered its production guidance to 15.2mt from 16mt earlier, but expects to meet its sales guidance of 15mt in FY21 (10.8mt in 9MFY21).
- JSTL expects to complete the 5mtpa Dolvi capacity expansion by 4QFY21 end. However, complete integration of operations and stabilization would take place in 1QFY22.

Valuation and view – Strong project pipeline to drive growth

- We like JSTL given its strong project pipeline and cost reduction initiatives, which should support margin. Over FY21-23E, we expect above industry 16% CAGR in volume, led by Dolvi expansion. Any turnaround in its loss-making overseas operations could provide a further upside.
- Despite high capex, we expect net debt to decline by ~10% over FY20-22E to INR578b. Deleveraging should accelerate post FY22 as capex ends and invested projects start generating cash flows. However, the BPSL acquisition may add INR30b in debt (assuming 30% equity in a 50:50 JV).
- We value JSTL at 6.5x FY22E EV/EBITDA to arrive at a TP of INR435. **Buy**.

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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, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Consolidated quarterly performance (INR m)

Y/E March	FY20				FY21E				FY20	FY21E	3Q FY21E	v/s est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net sales	1,98,120	1,71,060	1,78,050	1,78,870	1,17,820	1,90,360	2,18,590	2,47,340	7,26,100	7,74,110	2,03,266	8
Change (YoY, %)	-3.4	-20.6	-12.4	-20.0	-40.5	11.3	22.8	38.3	-14.3	6.6	14.2	
EBITDA	37,160	22,650	22,010	29,750	13,410	42,530	59,460	76,744	1,11,570	1,92,144	52,938	12
Change (YoY, %)	-27.2	-53.8	-51.1	-33.0	-63.9	87.8	170.1	158.0	-41.1	72.2	140.5	
EBITDA (INR/t)	9,909	6,292	5,462	8,041	4,806	10,323	15,246	18,978	7,399	12,936	13,705	11
EBITDA (USD/t)	142	89	77	111	64	139	207	256	104	174	184	
Interest	10,420	11,270	10,600	10,360	10,160	9,590	9,770	9,506	42,650	39,026	9,546	2
Depreciation	10,260	10,570	10,550	11,080	10,470	11,490	12,300	12,800	42,460	47,060	11,490	
Other income	1,410	1,560	1,270	1,220	1,320	1,520	1,470	1,293	5,460	5,603	1,468	0
PBT (before EO Item)	17,890	2,370	2,130	9,530	-5,900	22,970	38,860	55,730	31,920	1,11,660	33,370	16
EO items		26,160	2,500	-8,050		1,610			20,610	1,610		
PBT (after EO Item)	17,890	28,530	4,630	1,480	-5,900	24,580	38,860	55,730	52,530	1,13,270	33,370	16
Total tax	7,620	3,020	2,490	-690	-610	9,100	12,120	18,220	12,440	38,830	10,979	10
Tax (%)	42.6	10.6	53.8	-46.6	10.3	37.0	31.2	32.7	23.7	34.3	32.9	
Reported PAT	10,270	25,510	2,140	2,170	-5,290	15,480	26,740	37,510	40,090	74,440	22,391	19
MI (Profit)/Loss	200	240	240	430	210	-20	120	185	1,110	495	215	
Share of P/(L) of Ass.	-190	-150	-270	-290	-530	470	-50	-100	-900	-210	-155	
Adjusted PAT	10,280	809	234	10,360	-5,610	14,916	26,810	37,595	21,683	73,711	22,451	19
Change (YoY, %)	-57	-96	-99	-32	-155	1,744	11,342	263	-72	240	Na	



Key takeaways from the conference call

Commentary on demand and pricing

- Domestic steel demand remains strong, led by higher demand from Auto, Machinery, Construction, and Infra sectors, aided by increased government spending. It expects domestic demand to grow 10-12% YoY in FY22.
- HRC/primary rebar prices rose INR2,000/INR2,500 per tonne MoM in Jan'21. The management said that domestic steel prices are at a discount to import prices, but expects prices to sustain in the near term.
- It is negotiating its half-yearly fixed price contracts, which were reset in Oct'20 at lower prices, upwards ahead of a revision due in Apr'21.

3QFY21 insights

- Higher demand and better availability of iron ore led the management to increase its capacity utilization to 91% in 3Q v/s 86% in 2QFY21.
- It achieved a production of 4.08mt, up 1% YoY.
- It reduced inventories by ~47kt/473kt during 3Q/9MFY21.
- Steel sales volumes declined 3% YoY (5% QoQ) to 3.9mt due to higher exports during 3QFY20/2QFY21. Domestic volumes grew 16% QoQ (13% YoY) to 3.45mt. Export volumes declined ~50% QoQ (58% YoY) to 0.45mt.
- Realization grew 21% QoQ (29% YoY) to INR49,331/t (v/s our estimate of INR46,269/t) on higher steel prices, greater valued added sales (57% v/s 51% in 2Q), lower exports and sale of iron ore (~INR1,300/t).

Performance of subsidiaries

- EBITDA for JSW Steel Coated improved 38% QoQ (196% YoY) to INR3.9b, led by higher CRC prices. Volumes stood flat QoQ at 0.61mt (17% YoY). It recorded EBITDA/t of INR6,508 (+38% QoQ).
- Key overseas subsidiaries reported an EBITDA loss of INR2.1b (v/s INR2.1b QoQ). The management guided for an EBITDA loss of less than INR1b in 4QFY21 from these subsidiaries.
- Operations at JSTL's US subsidiaries (Acero and plate and pipe mills) were shut during 3QFY21 for maintenance and upgradation and would resume in Mar'21.
- JSW Ispat (Monnet Ispat) operations turned around during 3QFY21, with EBITDA/PAT of INR1.5b/INR0.3b. However, JSW Ispat would continue to remain off the Balance Sheet and would not be merged into JSTL in the near term.

Guidance

- The management lowered its production guidance to 15.2mt from 16mt earlier, but expects to meet its sales guidance of 15mt in FY21 (10.8mt in 9MFY21).
- Coking coal cost is expected to remain flat QoQ.
- The management expects domestic iron ore prices to cool down in 4QFY21 due to improving supply of iron ore in the country.

Update on iron ore mines

- The company met ~49% of its iron ore requirements from captive mines during 3Q v/s 27% in 2QFY21.
- It is currently operating at a monthly run-rate of 1.8-2mt at its Odisha mines.
- During 3QFY21, it operationalized the last of three iron ore mines that it won at an auction in Karnataka. With this, all nine mines in Karnataka are operational.

Capex and project update

- JSTL spent INR23b/INR63b on capex in 3Q/9MFY21. It expects to meet its capex guidance of INR90b for FY21.
- It expects to complete the 5mtpa Dolvi capacity expansion by 4QFY21 end. However, complete integration of operations and stabilization would take place in 1QFY22.
- During 3QFY21, the company commissioned one out of two Continuous Galvanizing Lines (CGL) at CRM-1 complex, Vijaynagar. The second line will be commissioned by 1QFY22.
- The 8mtpa pellet plant is under commissioning, with heating in progress.
- Downstream modernization cum capacity enhancement projects at Vasind and Tarapur are expected to be commissioned in Mar'21, except for the 0.45mtpa CGL that would be commissioned in 1QFY22.

Liquidity position

- Reported net debt declined INR11b in 3QFY21 to INR518b despite an INR15.5b infusion in Asian Color Coated, which was acquired under the IBC process.
- Revenue/capital acceptances stood at USD947m/USD491m in 3Q v/s USD1,098m/USD441m in 2QFY21.
- Reported net debt-to-EBITDA stood at 3.53x v/s 4.73x at 2QFY21 end.

Update on BPSL and Asian Color Coated acquisitions

- Lenders claim over EBITDA earned by BPSL during the interim period is currently ongoing in the Supreme Court.
- The management said the BPSL transaction would not be consolidated with standalone operations and would be accounted under the 'equity method'.
- During 3QFY21, it infused ~INR15.5b into Asian Color Coated Ispat as JSW Steel Coated's resolution plan for the same was accepted by NCLT on 19 Oct'20.

Standalone quarterly performance

Y/E March (Standalone)	FY20				FY21				FY20	FY21E	3Q	v/s est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			FY21E	(%)
Net sales	1,76,980	1,50,540	1,55,170	1,52,770	1,02,930	1,67,970	1,92,390	2,20,568	6,35,460	6,83,858	1,78,730	8
EBITDA	38,320	23,300	24,170	32,200	14,290	41,760	56,330	73,042	1,17,990	1,85,422	50,692	11
Margin (%)	21.7	15.5	15.6	21.1	13.9	24.9	29.3	33.1	18.6	27.1	28.4	
Spreads	22,227	18,111	16,526	21,389	16,706	19,485	25,136	29,604	19,947	28,202	25,212	0
Conv. cost	12,008	11,639	10,529	12,686	11,584	9,350	10,692	11,541	12,123	15,719	12,089	-12
EBITDA (INR/t)	10,219	6,472	5,998	8,703	5,122	10,136	14,444	18,063	7,824	12,483	13,123	10
EBITDA (USD/t)	147	92	84	120	68	136	196	244	110	168	176	11
Interest	10,050	10,750	9,880	9,540	9,330	8,850	8,790	8,526	40,220	35,496	8,806	0
Depreciation	8,260	8,740	8,930	9,290	8,670	9,240	9,790	10,290	35,220	37,990	9,240	6
Other Income	1,590	1,880	1,350	1,460	1,540	1,510	1,690	1,460	6,280	6,200	1,600	6
PBT (before EO Item)	21,600	5,690	6,710	14,830	-2,170	25,180	39,440	55,685	48,830	1,18,135	34,246	15
EO Items		26,160	2,500	-13,090					15,570			
PBT (after EO Item)	21,600	31,850	9,210	1,740	-2,170	25,180	39,440	55,685	64,400	1,18,135	34,246	15
Total tax	7,210	2,680	2,300	1,260	-710	8,260	11,150	18,209	13,450	36,909	11,199	
Tax (%)	33.4	8.4	25.0	72.4	32.7	32.8	28.3	32.7	20.9	31.2	32.7	
Reported PAT	14,390	29,170	6,910	480	-1,460	16,920	28,290	37,476	50,950	81,226	23,048	23
Preference dividend												
Adjusted PAT	14,390	4,440	5,177	13,570	-1,460	16,920	28,290	37,476	37,578	81,226	23,048	23
Change (YoY, %)	-35	-80	-73	-22	-110	281	446	176	-54	116	345	

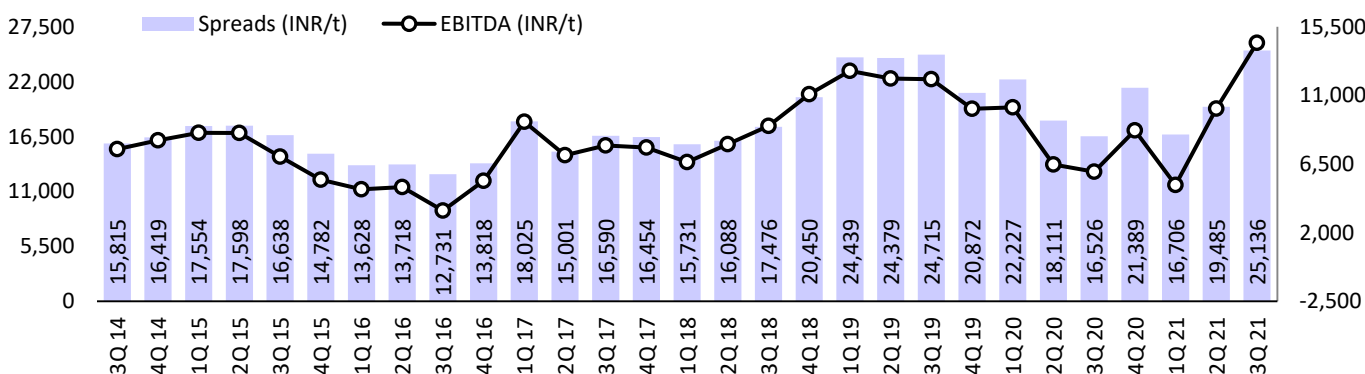
Source: Company, MOFSL

Exhibit 1: Standalone operational performance

	FY20				FY21E				FY20	FY21E	3Q	v/s est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		FY21E	FY21E	(%)
Production ('000t)	4,240	3,840	4,020	3,970	2,960	3,850	4,080	4,168	16,070	15,058	4,122	-7
Change (YoY, %)	3.2	-8.1	-5.0	-4.8	-30.2	0.3	1.5	5.0	28.0	-4.8	2.5	
Change (QoQ, %)	1.7	-9.4	4.7	-1.2	-25.4	30.1	6.0	2.1	-3.7	-6.3	7.1	
Sales ('000t)	3,750	3,600	4,030	3,700	2,790	4,120	3,900	4,044	15,080	14,854	3,863	7
Change (YoY, %)	-2.1	-9.1	9.5	-13.8	-25.6	14.4	-3.2	9.3	24.8	0.5	-4.1	
Change (QoQ, %)	-12.6	-4.0	11.9	-8.2	-24.6	47.7	-5.3	3.7	-4.3	-1.5	-6.2	
Realization (INR/t)	47,195	41,817	38,504	41,289	36,892	40,769	49,331	54,545	42,139	46,039	46,269	-12
Change (YoY, %)	-5.3	-16.0	-23.0	-10.1	-21.8	-2.5	28.1	32.1	38.7	30.1	20.2	
Change (QoQ, %)	2.8	-11.4	-7.9	7.2	-10.6	10.5	21.0	10.6	-13.6	9.3	13.5	
EBITDA (INR/t)	10,219	6,472	5,998	8,703	5,122	10,136	14,444	18,063	7,824	12,483	13,123	-23
Change (YoY, %)	-19.0	-46.5	-50.3	-14.0	-49.9	56.6	140.8	107.6	65.2	58.7	118.8	
Change (QoQ, %)	1.0	-36.7	-7.3	45.1	-41.1	97.9	42.5	25.1	-33.0	59.5	29.5	

Source: MOFSL, Company

Exhibit 2: EBITDA and spreads



Source: MOFSL, Company

Exhibit 3: Quarterly performance (subsidiaries)

Y/E March	FY20				FY21				FY20	FY21E	3Q	v/s est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		FY21E	FY21E	(%)
Net sales	21,140	20,520	22,880	26,100	14,890	22,390	26,200	26,772	90,640	90,252	24,536	7
EBITDA	-1,160	-650	-2,160	-2,450	-880	770	3,130	3,702	-6,420	6,722	2,246	39
JSW Steel Coated	1,720	1,530	1,340	910	280	2,880	3,970	4,163	5,500	11,293	3,003	32
US mills	139	-788	-897	-718	-855	-979	-624	-370	-2,264	-2,828	-372	68
Acero	-2,512	-2,224	-1,794	-1,463	-941	-783	-1,569	-740	-7,992	-4,032	-372	322
Aferpi	-328	-540	-784	-870	-578	-426	46	149	-2,522	-809	-513	-109
Others	-179	1,372	-25	-309	1,214	78	1,307	500	858	3,098	500	161
PAT	-4,110	-3,631	-4,943	-3,210	-4,150	-2,004	-1,480	119	-15,894	-7,515	-597	148

Source: MOFSL, Company

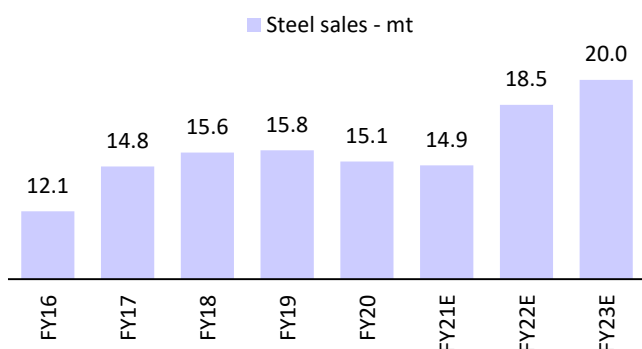
Exhibit 4: Target price calculation

Y/E March	FY20	FY21E	FY22E
A. S/A volumes	15.1	14.9	18.5
B. EBITDA/t	7,824	12,483	12,465
C. S/A EBITDA (AxB)	1,17,990	1,85,422	2,30,602
D. Sub. EBITDA	-6,420	6,722	17,603
E. Cons. EBITDA (C+D)	1,11,570	1,92,144	2,48,205
F. Target EV/EBITDA (x)			6.5
G. Target EV (FxG)			16,13,333
Less: Net debt (INR m)	6,39,300	6,05,981	5,78,280
Add: Non-current investments (at book value)			9,740
Equity value			10,44,793
No. of shares			2,400
Equity value/share			435

Source: MOFSL

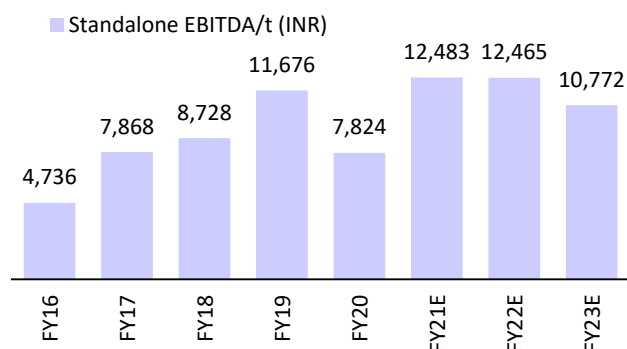
Story in charts

Exhibit 5: Expect ~16% YoY volume CAGR over FY21-23E



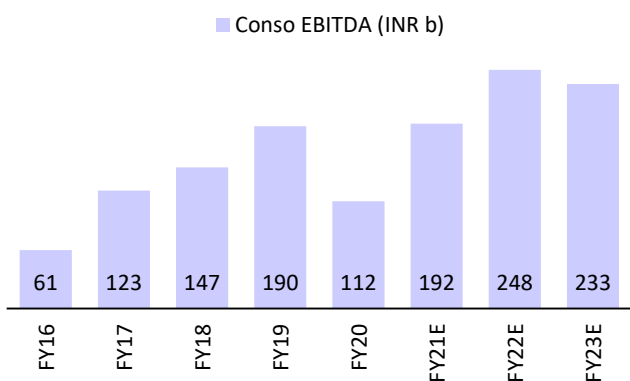
Source: Company, MOFSL

Exhibit 6: Strong EBITDA margin should drive...



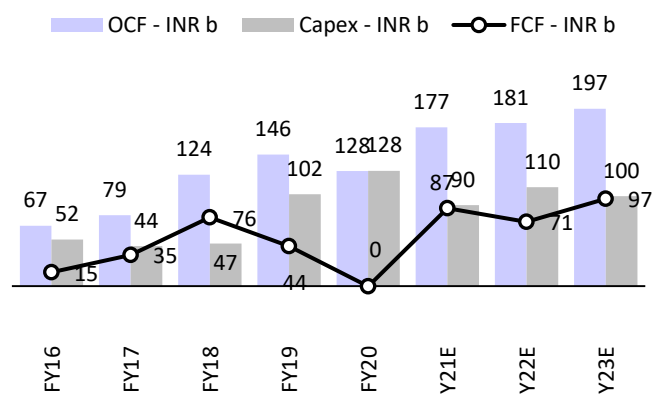
Source: Company, MOFSL

Exhibit 7: ~10% CAGR in consolidated EBITDA to INR233b...



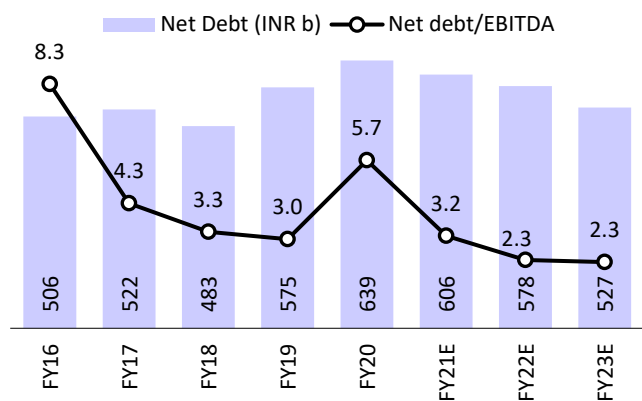
Source: Company, MOFSL

Exhibit 8: ...and result in higher FCF generation...



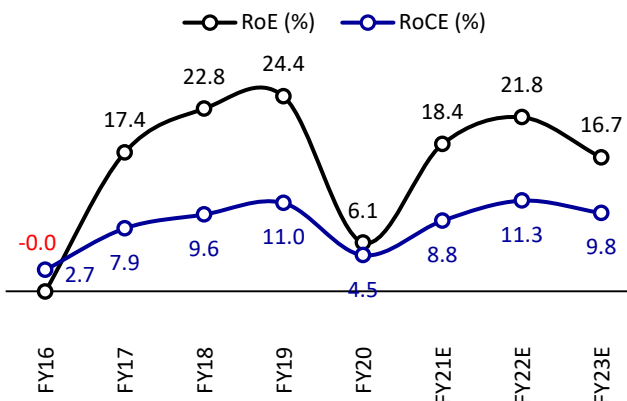
Source: Company, MOFSL

Exhibit 9: ...leading to a decline in leverage



Source: Company, MOFSL

Exhibit 10: Return ratios should improve in FY22E



Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement							(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Net sales	5,56,046	7,00,870	8,47,570	7,26,100	7,74,110	10,05,262	10,21,411
Change (%)	32.8	26.0	20.9	-14.3	6.6	29.9	1.6
Total Expenses	4,33,448	5,54,010	6,58,050	6,14,530	5,81,966	7,57,057	7,87,985
EBITDA	1,22,598	1,46,860	1,89,520	1,11,570	1,92,144	2,48,205	2,33,426
% of Net Sales	22.0	21.0	22.4	15.4	24.8	24.7	22.9
Depn. and Amortization	35,154	33,870	40,410	42,460	47,060	54,230	61,730
EBIT	87,444	1,12,990	1,49,110	69,110	1,45,084	1,93,975	1,71,696
Net Interest	37,681	37,010	39,170	42,650	39,026	44,493	39,110
Other income	1,521	1,670	2,040	5,460	5,603	5,659	5,715
PBT before EO	51,284	77,650	1,11,980	31,920	1,11,660	1,55,141	1,38,301
EO income		5,730		20,610		1,610	
PBT after EO	51,284	83,380	1,11,980	52,530	1,13,270	1,55,141	1,38,301
Tax	16,743	22,670	36,440	12,440	38,830	50,010	42,210
Rate (%)	32.6	27.2	32.5	23.7	34.3	32.2	30.5
Reported PAT	34,541	60,710	75,540	40,090	74,440	1,05,131	96,091
Minority interests	64	990	1,150	1,110	495	495	495
Share of Associates	1,193	420	-300	-900	-210	-210	-210
Preference dividend							
Adj. PAT (after MI and Asso)	35,798	57,948	76,390	21,683	73,667	1,05,416	96,376
Change (%)	-42,485	61.9	31.8	-71.6	239.7	43.1	-8.6

Balance Sheet							(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Share Capital	2,400	2,410	2,400	2,400	2,400	2,400	2,400
Reserves	2,24,070	2,77,570	3,45,550	3,63,590	4,31,621	5,31,952	6,15,565
Net Worth	2,26,470	2,79,980	3,47,950	3,65,990	4,34,021	5,34,352	6,17,965
Minority Interest	-2,460	-4,640	-4,500	-5,750	-5,750	-5,750	-5,750
Total Loans	5,40,200	4,96,470	6,37,980	7,59,350	6,79,350	6,29,350	5,29,350
Deferred Tax Liability	29,900	25,560	37,770	16,770	32,946	51,928	66,478
Capital Employed	7,94,110	7,97,370	10,19,200	11,36,360	11,40,567	12,09,880	12,08,043
Gross Block	6,63,830	6,88,170	7,74,980	8,10,940	8,90,940	11,40,940	12,40,940
Less: Accum. Deprn.	76,530	1,09,690	1,48,540	1,91,000	2,38,060	2,92,290	3,54,020
Net Fixed Assets	5,87,300	5,78,480	6,26,440	6,19,940	6,52,880	8,48,650	8,86,920
Capital WIP	43,630	59,500	1,18,890	2,71,910	2,81,910	1,41,910	1,41,910
Investments	10,660	11,570	18,120	12,570	27,570	27,570	27,570
Curr. Assets	2,38,460	2,70,150	3,84,520	4,13,780	3,53,077	3,88,785	3,50,226
Inventory	1,13,950	1,25,940	1,45,480	1,38,640	1,27,251	1,72,593	1,81,895
Account Receivables	41,490	47,040	71,600	45,050	42,417	55,083	55,968
Cash and Bank Balance	17,850	13,750	62,690	1,20,050	73,369	51,070	2,324
Others	65,170	83,420	1,04,750	1,10,040	1,10,040	1,10,040	1,10,040
Curr. Liability and Prov.	85,940	1,22,330	1,28,770	1,81,840	1,74,870	1,97,035	1,98,583
Account Payables	38,460	69,110	59,310	81,200	74,230	96,395	97,943
Provisions and Others	47,480	53,220	69,460	1,00,640	1,00,640	1,00,640	1,00,640
Net Current Assets	1,52,520	1,47,820	2,55,750	2,31,940	1,78,207	1,91,750	1,51,643
Appl. of Funds	7,94,110	7,97,370	10,19,200	11,36,360	11,40,567	12,09,880	12,08,043

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Basic (INR)							
EPS	14.9	24.0	31.8	9.0	30.7	43.9	40.2
Cash EPS	29.0	39.2	48.3	34.4	50.6	66.4	65.8
BV/Share	94.4	116.2	145.0	152.5	180.9	222.7	257.5
DPS	0.8	2.3	3.3	4.1	2.0	2.0	5.2
Payout (%)	6.1	11.3	12.2	55.1	6.5	4.6	12.9
Valuation (x)							
P/E		16.2	12.3	43.2	12.2	8.5	9.3
Cash P/E		9.9	8.1	11.3	7.4	5.6	5.7
P/BV		3.4	2.7	2.6	2.1	1.7	1.5
EV/Sales		2.0	1.8	2.2	1.9	1.5	1.4
EV/EBITDA		9.7	8.0	14.1	7.8	6.0	6.1
Dividend Yield (%)		0.6	0.8	1.1	0.5	0.5	1.4
Return Ratios (%)							
EBITDA margin	22.0	21.0	22.4	15.4	24.8	24.7	22.9
Net Profit margin	6.4	8.3	9.0	3.0	9.5	10.5	9.4
RoE	17.4	22.8	24.4	6.1	18.4	21.8	16.7
RoCE (pre-tax)	7.9	9.6	11.0	4.5	8.8	11.3	9.8
RoIC (pre-tax)	8.5	10.6	13.0	6.0	13.1	14.9	11.4
Working Capital Ratios							
Fixed Asset Turnover (x)	0.8	1.0	1.1	0.9	0.9	0.9	0.8
Asset Turnover (x)	0.7	0.9	0.8	0.6	0.7	0.8	0.8
Debtor (Days)	27	24	31	23	20	20	20
Inventory (Days)	75	66	63	70	60	60	65
Creditor (Days)	25	36	26	41	35	35	35
Working Capital (Days)	77	54	68	52	45	45	50
Leverage Ratio (x)							
Current Ratio	2.8	2.2	3.0	2.3	2.0	2.0	1.8
Interest Coverage Ratio	2.3	3.1	3.8	1.6	3.7	4.4	4.4
Debt/Equity	2.3	1.7	1.7	1.7	1.4	1.1	0.9

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
EBITDA	1,22,598	1,46,860	1,89,520	1,11,570	1,92,144	2,48,205	2,33,426
Non-cash exp. (income)	-2,658	2,340	-1,080	11,440			
(Inc.)/Dec. in Wkg. Cap.	-38,690	-11,010	-15,810	16,390	7,052	-35,842	-8,639
Tax Paid	-2,370	-14,400	-26,300	-11,550	-22,654	-31,028	-27,660
CF from Op. Activity	78,880	1,23,790	1,46,330	1,27,850	1,76,542	1,81,335	1,97,127
(Inc.)/Dec. in FA + CWIP	-44,350	-47,360	-1,02,060	-1,28,100	-90,000	-1,10,000	-1,00,000
(Pur.)/sale of Invest.	-2,940	90	2,510	850			
Acquisition in subs.	-1,470	-3,610	-14,270	1,000	-15,000		
Int. and Dividend Income	1,180	1,260	1,580	5,130	5,603	5,659	5,715
Others	450	600	-2,240	-7,470			
CF from Inv. Activity	-47,130	-49,020	-1,14,480	-1,95,860	-99,398	-1,04,341	-94,285
Equity raised/(repaid)	20	-270	-1,530	60			
Debt raised/(repaid)	10,750	-39,920	66,540	1,10,750	-80,000	-50,000	-1,00,000
Dividend (incl. tax)	-2,180	-6,550	-9,330	-11,950	-4,799	-4,799	-12,478
Interest paid	-35,690	-35,110	-38,150	-46,970	-39,026	-44,493	-39,110
Other financing							
CF from Fin. Activity	-27,100	-81,850	17,530	51,890	-1,23,826	-99,292	-1,51,588
(Inc.)/Dec. in Cash	4,650	-7,080	49,380	-16,120	-46,681	-22,299	-48,746
Add: opening Balance	7,340	17,850	13,750	62,690	1,20,050	73,369	51,070
Regrouping etc	5,860	2,980	-440	73,480			
Closing Balance	17,850	13,750	62,690	1,20,050	73,369	51,070	2,324

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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