

Jindal Steel & Power

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	JSP IN
Equity Shares (m)	1011
M.Cap.(INRb)/(USD\$)	595.2 / 7.3
52-Week Range (INR)	613 / 304
1, 6, 12 Rel. Per (%)	3/47/49
12M Avg Val (INR M)	2712
Free float (%)	38.8

Financials & Valuations (INR b)

Y/E MARCH	2023E	2024E	2025E
Sales	539	545	705
EBITDA	108	131	170
Adj. PAT	46	69	95
Cons. Adj. EPS (INR)	46	68	93
EPS Gr. (%)	-47	48	38
BV/Sh. (INR)	391	452	539

Ratios

Net D:E	0.2	0.0	-0.1
RoE (%)	12.3	16.1	18.9
RoCE (%)	14.4	17.4	20.9
Payout (%)	6.6	8.9	6.4

Valuations

P/E (x)	12.8	8.6	6.3
P/BV (x)	1.5	1.3	1.1
EV/EBITDA(x)	6.0	4.6	3.2
Div. Yield (%)	0.5	1.0	1.0
FCF Yield (%)	8.0	10.3	14.7

Shareholding pattern (%)

As On	Dec-22	Sep-22	Dec-21
Promoter	61.2	61.2	60.4
DII	14.2	14.9	16.7
FII	14.6	12.5	8.9
Others	10.0	11.4	13.9

FII Includes depository receipts

CMP: INRR583 TP: INR700 (+20%)

Buy

EBITDA in line; volumes set to rise

- Jindal Steel & Power (JSP) reported revenue of INR125b, down 1% YoY/8% QoQ and 11% lower than our estimate of INR139b. EBITDA at INR24b (down YoY by 28%/up 56% QoQ) was in line with our estimate of INR24b. APAT stood at INR9b (down 49% YoY/up 31% QoQ) v/s our estimate of INR12b.
- The company maintained its net debt at INR71b (lowest among the top four listed steel companies in India).
- Sales volumes stood at 1.9mt, up 4% YoY but down 6% QoQ. Exports (5% of total volumes) were affected by the imposition of export duty. Consolidated ASP stood at INR65,539/t, down 5% YoY and 3% QoQ.
- During the quarter, JSP was declared the successful bidder for Monnet Power Plant assets (2*525 MW) under the IBC liquidation process. JSP paid a consideration of INR4.1b; the execution of the agreement is under process.
- Consolidated EBITDA declined 28% YoY but rose 56% QoQ to INR24b, in line with our estimate. Consolidated EBITDA/t stood at INR12,513/t. EBITDA was supported by the reduction in input costs, especially coking coal and thermal coal costs.
- APAT decreased 45% YoY and increased 31% QoQ to INR9b, lower than our estimate of INR12b due to higher-than-expected depreciation, interest and tax outgo.

Net debt remains under control

- Net debt remained flat QoQ at INR71b, despite the ongoing capex program and the softness in steel prices.
- JSP has reduced its net debt considerably to INR71b from over INR400b a few years back. JSP continues to chart the same course and would ensure the cash is used for debt repayment and capex.

Highlights from the management commentary

- While there is no guidance on FY24 volumes, the company is seeing strong demand in the domestic market. JSP is also getting a lot of export inquiries. 4QFY23 could see strong volumes as it is a seasonally strong quarter for JSP.
- The cost of coking coal has started to rise for the last couple of weeks and needs to be carefully monitored. Exports could rise given the removal of export duty.
- JSP plans to meet nearly half of its thermal coal requirement from captive mines from FY24 onward, which could be a further margin booster.
- The 6mt pellet plant at Angul is set to be commissioned. The pellets would be used for in-house steel making. Pellet produced from Barbil would be sold outside once the Angul facility is fully operational.

Valuation and view

- We have trimmed our FY24E EBITDA by 4% to INR131b and expect JSP to clock EBITDA/t of INR15,128. The price of coking coal has started to move up, which could impact margins during 1HFY24.

Alok Deora - Research analyst (Alok.Deora@MotilalOswal.com)

Parthiv Deepak Jhonsa - Research analyst (Parthiv.Jhonsa@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, Bloomberg, Thomson ReuteINR, Factset and S&P Capital.

- The commissioning of the pellet plant and other coal mines could give strong benefits, which would materially flow through from FY25 onward.
- We maintain JSP as our top pick in the steel sector with a TP of INR700, based on 5.5x FY24E EV/EBITDA. We believe JSP's focused approach on leverage, along with capacity expansion, should augur well.
- The stock is trading at 6x/4.6x our FY23/24 EV/EBTIDA estimates. On the P/B basis, it is trading at 1.5x/1.3x our FY23/24 estimates with RoE expectations of 12.3%/16.1%. Incremental coking coal production from Australian/Mozambique coal mines should be positive.

Consolidated quarterly performance (INR b)

Y/E March	FY22				FY23				FY22	FY23E	FY23	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	est. (%)
Sales vol (mt)	1.6	2.1	1.8	2.1	1.7	2.0	1.9	2.2	7.6	7.9	2.2	-12.7
Net sales	106	136	125	143	130	135	125	148	511	539	139.2	-10.6
Change (YoY, %)	42	52	19	21	23	-1	-1	3	31	5	11.2	
Change (QoQ %)	-11	28	-8	14	-9	4	-8	19			3.0	
EBITDA	45	46	33	31	30	15	24	31	155	108	24	-0.5
Change (YoY, %)	118	63	-28	-42	-34	-67	-28	0	5	-36	-27.8	
Change (QoQ %)	-14	1	-28	-7	-3	-49	56	30			57.2	
EBITDA/t (Consol)	28,192	21,569	18,188	14,761	17,200	7,559	12,513	13,826	20,306	12,656	10975	
Interest	6	5	5	4	4	4	3	3	19	13	3.1	
Depreciation	6	6	6	3	6	6	6	6	21	24	5.5	
Other income	0	0	0	0	0	0	0	0	1	1	0.2	
PBT (before EO item)	34	35	22	24	25	10	14	22	116	71	16	-7.3
Extra-ordinary income	0	0	2	3	1	-9	-4	0	5	-12	0.0	
PBT (after EO item)	34	35	25	27	26	1	11	22	121	59	16	-31.6
Total tax	9	9	6	5	6	-2	5	6	29	16	3.9	
Reported PAT	25	26	19	22	20	2	5	16	92	43	12	-55.5
MI - Loss/(Profit)	0	0	0	0	0	0	0	0	0	0	0.0	
Adjusted PAT	25	26	16	19	15	7	9	16	87	46	12	-23.0
Change (YoY, %)	1975	213	-32	-34	-42	-73	-45	-19	39	-47	-28.4	
Change (QoQ %)	-13	2	-37	20	-25	-53	31	77			69.8	

Standalone quarterly performance (INR b)

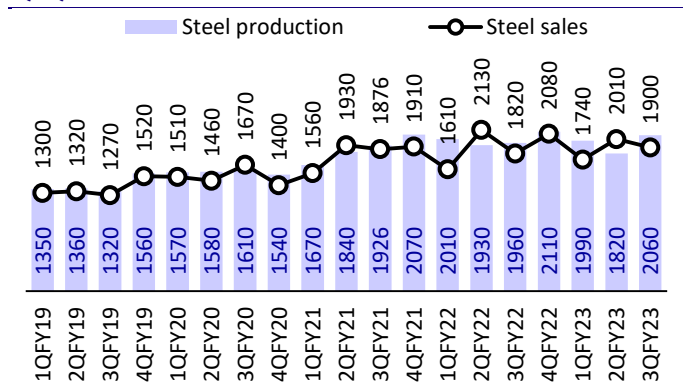
Y/E March	FY22				FY23				FY22	FY23E	FY23	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net sales	104	133	120	138	128	131	118	142	494	520	138	-14.1
NSR (INR/t)	64,501	62,259	65,686	66,494	73,842	65,209	62,275	63,962	64,701	66,056	63,262	
Change (YoY, %)	69	69	37	33	24	-1	-1	3	49	5	15	
Change (QoQ %)	0	28	-10	16	-7	2	-10	20			5	
EBITDA	45	45	32	31	33	18	22	28	153	102	23	-3.5
Change (YoY, %)	165	86	-19	-37	-27	-59	-29	-7	18	-33	-27	
Change (QoQ %)	-7	0	-30	-4	8	-44	22	27			27	
EBITDA/t	28,098	21,216	17,404	14,695	19,028	9,143	11,813	12,791	19,983	13,002	10,686	
Interest	4	4	3	3	3	3	3	3	14	12	3	
Depreciation	6	6	6	6	5	5	5	5	22	22	5	
Other income	0	0	0	0	0	0	0	0	1	1	0	
PBT (before EO item)	36	36	23	22	25	10	14	20	117	69	15	-11.0
Extra-ordinary income	0	0	0	-3	58	17	73	0	-3	147	0	
PBT (after EO item)	36	36	23	19	83	-7	-59	20	114	216	15	
Total tax	8.9	9.1	5.9	4.9	17.2	-2.1	-13.7	5.1	28.8	6.4	3.8	
Tax (%)	25	25	26	25	21	31	23	25	25	3	25	
Reported PAT	27	27	17	14	66	-5	-45	15	85	210	12	
Adjusted PAT	27	27	17	18	8	12	27	15	88	63	12	137.9
Change (YoY %)	544	173	-29	-37	-69	-56	60	-12	34	-29	-33	
Change (QoQ %)	-4	2	-37	2	-53	46	130	-44			-3	

Standalone operating parameters

Y/E March	FY22				FY23				FY22	FY23E	FY23 3QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Steel Sales vol	1,610	2,130	1,820	2,080	1,740	2,010	1,900	2,228	7,640	7,878	2,177	-13
Change (YoY %)	3.2	10.4	-3.0	8.9	8.1	-5.6	4.4	7.1	5.0	3.1		
Change (QoQ %)	-15.7	32.3	-14.6	14.3	-16.3	15.5	-5.5	17.2				
Realisation	64,501	62,259	65,686	66,494	73,842	65,209	62,275	63,962	64,701	66,056	63,262	-2
Change (YoY %)	63.3	53.0	41.0	21.8	14.5	4.7	-5.2	-3.8	41.9	2.1		
Change (QoQ %)	18.1	-3.5	5.5	1.2	11.1	-11.7	-4.5	2.7				
EBITDA(INR/Ton)	28,098	21,216	17,404	14,695	19,028	9,143	11,813	12,791	19,983	13,002	10,686	11
Change (YoY %)	156.6	68.6	-16.5	-42.5	-32.3	-56.9	-32.1	-13.0	12.5	-34.9		
Change (QoQ %)	9.9	-24.5	-18.0	-15.6	29.5	-51.9	29.2	8.3				

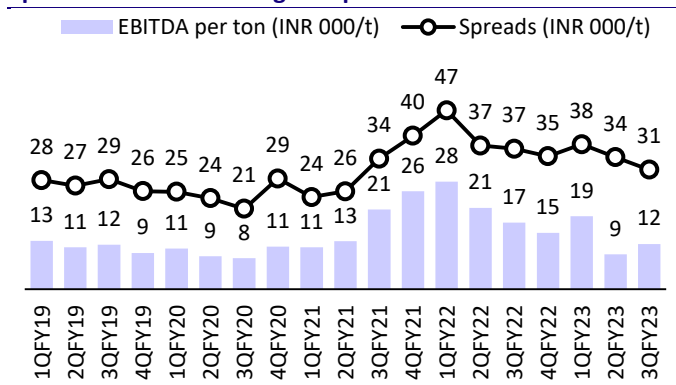
Story in charts

Exhibit 1: Steel production and sales (in kt); sales up 4% QoQ



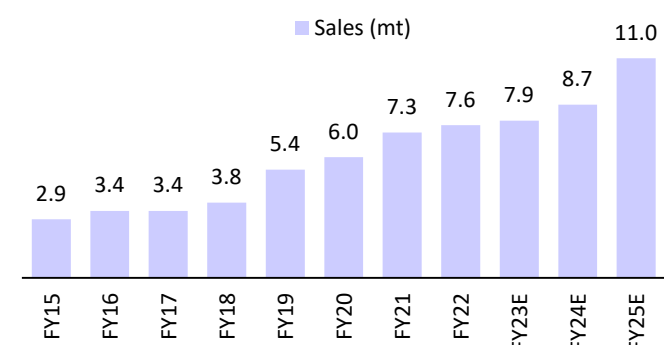
Source: MOFSL, Company

Exhibit 2: Though standalone EBITDA/t improved QoQ, the spreads are down during the quarter



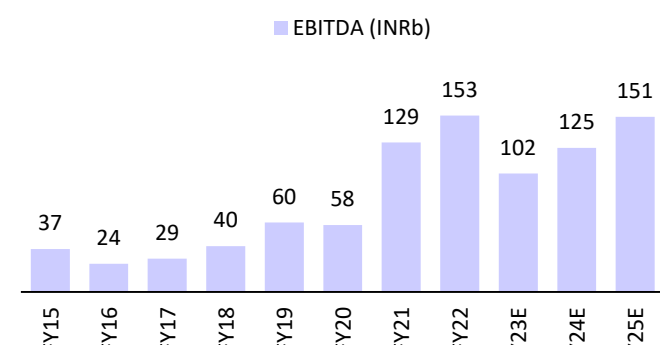
Source: MOFSL, Company

Exhibit 3: Annual steel sales (mt), consistent growth visible; JSP on track to achieving ~11mt sales in FY25E



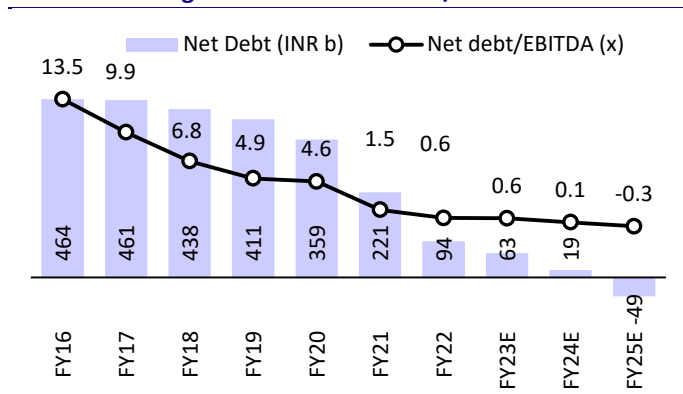
Source: MOFSL, Company

Exhibit 4: Standalone EBITDA (INR b) to improve in FY24E after touching a low in FY23E



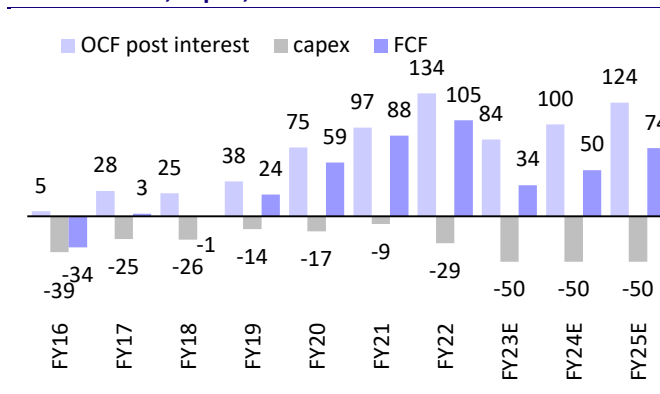
Source: MOFSL, Company

Exhibit 5: Falling net debt and net debt/EBITDA ratios



Source: MOFSL, Company

Exhibit 6: OCF, capex, and FCF



Source: MOFSL, Company



Key highlights from the management commentary

Domestic demand

- Domestic demand remains buoyant and there is no problem selling volumes in the domestic market.
- JSP is confident of selling the entire production in the domestic market.
- Demand is strong from the infrastructure, power and construction sectors, where JSPL has a presence.

Costs and ASP

- The costs were lower during the quarter, primarily driven by lower coking coal and thermal coal costs, whereas iron ore costs were flat.
- The cost of coking coal has started moving up during the current quarter. Coking coal price movement is dependent on China and once the Chinese economy completely opens up, the price for coking coal would normalize.

Management guidance for FY23 and FY24

- Management has indicated that the company is witnessing a strong order pipeline and that fresh inquiries have started coming in from Nov'22 onward (post the rollback of export duty).
- The company has a strong order book.
- Exports during the quarter stood at 5% (11% in 2QFY23). Management is evaluating proposals on an ongoing basis. However, no clear guidance for exports was given.
- Steel prices in 3QFY23 were lower, but they have started to firm up again and the current NSR is 1-2% above.
- Once the mines normalize, the landed cost of coal for the company would be materially lower (considering the royalty adjustment).
- JSP Angul broke its own record and tapped the highest 54 heats/d, thereby creating a world record by any company.

Australia mine

- Australia, Mozambique and South Africa posted EBITDA of USD20m; adjusted for forex, EBITDA stood at USD4m.
- The current coal excavated from the mine has high ash content; hence, it is sold as thermal coal even though it is coking coal. However, once the beneficiation plant and washeries are operational post June'23, JSP would be able to sell coal at a much higher rate.

Net debt and cash

- Gross debt as of Dec'22 stood at INR110b and net debt stood at INR71b.
- The opening balance of cash during the quarter stood at INR64b and JSP exited the quarter with a closing balance of INR35b.
- The current net debt/EBITDA ratio stands at 0.66x, and the management has internal policy to borrow maximum up to 1.5x net debt/EBITDA.

Capex and timelines

- All the expansions are on track and are expected to commence operations from 4QFY23 onward.

- The pellet plant has received all approvals and is undergoing trial runs. JSP expects to receive the commencement certificate and start the operations from 4QFY23.
- The slurry pipeline project is moving slowly and is expected to commence operations by the middle of FY24E.
- Blast Furnace should commence operations by 3QFY24.
- HSM phase 1 is on track and is expected to begin operations by 2QFY24.

Exhibit 7: Valuation and target price

Y/E March	UoM	FY24E
Volume	mt	8.7
Blended EBITDA/t	INR	15,128
Consol EBITDA	INR b	131
Target EV/EBITDA(x)	x	5.5
Target EV	INR b	721
Net Debt (incl JPL reduction)	INR b	19
Equity Value	INR b	702
No of shares o/s	b	1.0
Target price (INR/share)	INR/sh	700

Source: MOFSL

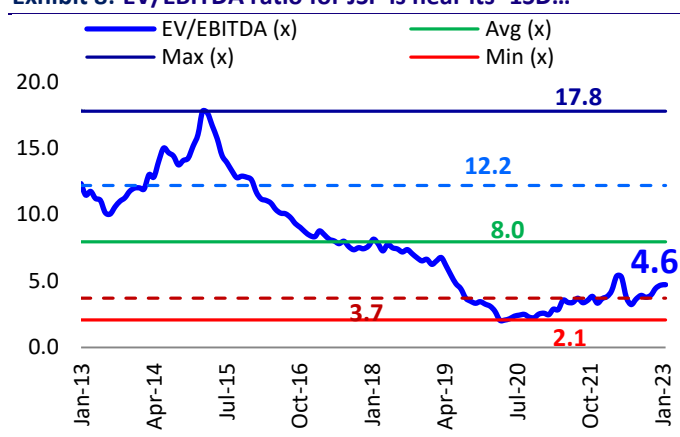
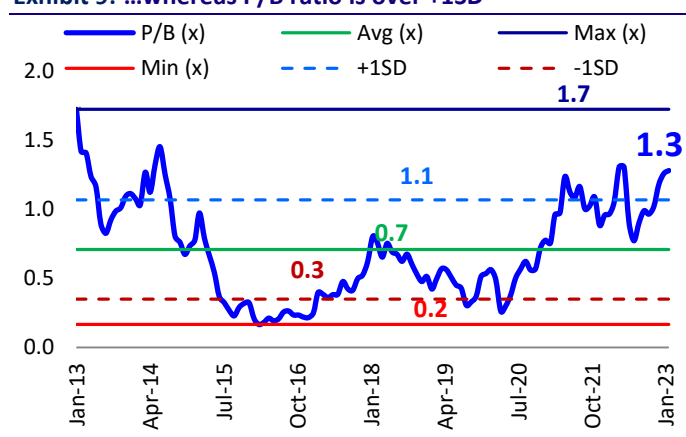
Exhibit 8: EV/EBITDA ratio for JSP is near its -1SD...**Exhibit 9: ...whereas P/B ratio is over +1SD**

Exhibit 10: Global steel valuation comparable

Company	M-Cap USD m	P/E (x)			EV/EBITDA (x)			P/B (x)			RoE (%)		
		CY21/ FY22	CY22/ FY23	CY23/ FY24	CY21/ FY22	CY22/ FY23	CY23/ FY24	CY21/ FY22	CY22/ FY23	CY23/ FY24	CY21/ FY22	CY22/ FY23	CY23/ FY24
India													
Tata*	18,083	3.6	8.1	7.1	3.1	5.3	4.6	1.3	1.2	1.1	44.6	15.6	15.9
JSW*	21,383	8.1	58.2	9.0	5.8	12.2	6.0	2.6	2.7	2.1	37.5	4.5	26.1
JSP*	7,358	6.8	12.8	8.6	4.4	6.0	4.6	1.7	1.5	1.3	25.9	12.3	16.1
SAIL*	4,465	3.1	20.4	7.4	2.5	7.9	4.8	0.7	0.7	0.6	24.3	3.4	8.8
Japan													
JFE	8,220	3.7	6.3	7.2	5.0	5.9	6.5	0.5	0.5	0.5	15.5	8.1	6.6
Nippon Steel	20,168	4.9	4.4	6.8	5.2	4.5	5.5	0.8	0.6	0.6	18.1	17.5	9.6
Kobe Steel	2,157	5.0	5.6	5.7	5.3	6.3	5.4	0.4	0.3	0.3	7.2	6.2	5.4
Korea													
POSCO	21,386	6.1	6.6	5.9	3.8	3.8	3.4	0.5	0.4	0.4	8.3	7.1	7.3
Hyundai Steel	3,867	3.4	4.7	4.1	3.9	4.1	3.6	0.2	0.2	0.2	7.6	5.2	5.7
US													
Nucor	43,225	5.9	12.8	16.2	4.0	7.5	8.8	2.3	2.0	1.9	43.5	15.5	10.9
US Steel	6,735	3.0	12.9	16.5	1.8	4.8	4.7	0.7	0.8	0.6	26.2	5.9	4.8
Steel Dynamics	20,875	5.4	10.1	14.8	3.9	6.4	8.3	2.6	2.2	1.8	51.9	22.4	12.0
Europe													
AM	27,955	3.0	9.2	6.9	2.4	4.7	4.1	0.5	0.5	0.4	18.9	5.7	7.1
SSAB	7,288	3.5	9.7	13.7	1.9	4.4	5.3	0.8	0.8	0.8	26.0	8.1	5.7
TKA	5,085	4.9	13.7	8.8	0.6	0.7	0.7	0.4	0.3	0.3	8.4	2.9	4.0
VOE	5,966	5.1	5.7	11.0	3.7	3.2	4.4	0.9	0.7	0.7	16.7	13.4	6.4
China													
Baosteel	20,119	8.8	7.5	7.1	5.1	4.4	3.8	0.7	0.7	0.6	7.2	8.0	8.0

Source: MOFSL, Company, Bloomberg(*) denotes MOFSL estimates

Exhibit 11: Key assumptions and changes to our estimates

Exhibit 11: Key assumptions and changes to our estimates							
UoM		FY23E			FY24E		
		New	Old	% change	New	Old	% change
Standalone							
Volumes	mt	7.9	8.2	-3.4%	8.7	9.0	-3.4%
Realisation/t	INR	66,056	66,737	-1.0%	60,495	62,330	-2.9%
Coking Coal	USD/t	340	340	0.0%	260	226	15.5%
EBITDA/t	INR	13,002	13,402	-3.0%	14,387	15,105	-4.8%
EBITDA	INR b	102	109	-6.3%	125	135	-8.0%
Consolidated							
Revenue	INR b	539	553	-2.7%	545	564	-3.4%
EBITDA	"	108	113	-3.9%	131	137	-4.3%
PAT	"	46	58	-19.7%	69	78	-11.6%

Source: Company, MOFSL

Financials and valuation

Consolidated Income Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Net sales	210	276	394	370	389	511	539	545	705
Change (%)	14	31	43	-6	5	31	5	1	29
Total Expenses	164	212	310	291	241	356	430	414	535
EBITDA	47	65	84	79	148	155	108	131	170
As a percentage of Net Sales	22	23	21	21	38	30	20	24	24
Depn. and Amortization	39	39	42	42	35	21	24	26	32
EBIT	7	26	42	37	113	134	84	105	138
Net Interest	34	39	43	41	31	19	13	11	12
Other income	0	0	0	0	4	1	1	1	1
PBT before EO	-27	-13	0	-4	86	116	71	95	126
EO income	-4	-6	-28	2	-13	5	-12	0	0
PBT after EO	-30	-19	-28	-2	73	121	59	95	126
Tax	-5	-2	-4	2	18	29	16	27	32
Rate (%)	17	13	14	-63	24	24	27	27	27
Reported PAT	-25	-16	-24	-4	55	92	43	69	95
Minority interests	-3	-2	-8	0	3	0	0	0	0
Preference dividend	0	0	0	0	0	0	0	0	0
Share of Associates	0	0	0	0	0	0	0	0	0
Adjusted PAT	-19	-8	3	-5	63	87	46	69	95
Change (%)	15	-57	-139	-269	NA	39	-47	48	38

Consolidated Balance Sheet

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Share Capital	1	1	1	1	1	1	1	1	1
Reserves	300	303	323	320	317	355	394	456	543
Net Worth	301	304	324	321	318	356	395	457	544
Minority Interest	6	4	-3	-8	-9	15	15	15	15
Total Loans	467	443	415	368	293	139	94	69	49
Deferred Tax Liability	54	50	54	56	62	73	84	87	91
Capital Employed	827	802	790	738	665	582	588	628	699
Gross Block	783	847	900	951	833	765	785	845	905
Less: Accum. Deprn.	129	168	210	252	286	307	331	357	389
Net Fixed Assets	654	679	690	699	547	458	454	488	516
Capital WIP	97	50	40	20	9	17	47	37	27
Goodwill and Revaluation	6	6	6	6	5	4	4	4	4
Investments	4	1	1	1	1	1	1	1	1
Curr. Assets	146	157	158	171	216	285	269	285	355
Inventory	36	50	65	64	59	73	74	75	97
Account Receivables	17	18	30	35	28	13	13	13	17
Cash and Bank Balance	5	5	4	10	72	45	31	49	97
Loans and advances and others	88	84	58	62	57	155	151	147	143
Curr. Liability and Prov.	79	91	106	159	113	184	188	188	205
Account Payables	22	28	32	56	41	53	56	57	73
Provisions and Others	57	62	74	104	73	132	132	132	132
Net Current Assets	67	66	52	12	103	101	81	96	150
Appl. of Funds	827	802	790	738	665	582	588	628	699

Financials and valuation

Consolidated ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Basic (INR)									
EPS	-20.9	-8.5	3.3	-5.3	61.4	86.0	45.8	67.8	93.4
Cash EPS	15.4	23.3	18.4	36.9	88.0	111.5	66.7	93.4	125.5
BV/Share	328.4	313.9	335.0	315.1	311.9	352.5	391.3	452.1	538.6
DPS	0.0	0.0	0.0	0.0	0.0	3.0	3.0	6.0	6.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	3.5	6.6	8.9	6.4
Valuation (x)									
P/E	-28.0	-68.9	178.0	-110.9	9.5	6.8	12.8	8.6	6.3
Cash P/E	37.9	25.0	31.7	15.8	6.6	5.2	8.8	6.3	4.7
P/BV	1.8	1.9	1.7	1.9	1.9	1.7	1.5	1.3	1.1
EV/Sales	4.7	3.6	2.5	2.6	2.1	1.3	1.2	1.1	0.8
EV/EBITDA	21.4	15.5	11.6	12.2	5.5	4.4	6.0	4.6	3.2
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.5	0.5	1.0	1.0
Return Ratios (%)									
EBITDA Margin (%)	22.2	23.4	21.3	21.2	38.0	30.4	20.1	24.1	24.2
Net Profit Margin (%)	-9.1	-3.0	0.8	-1.5	16.1	17.0	8.6	12.6	13.4
RoE	-7.9	-2.6	1.0	-1.6	19.6	25.9	12.3	16.1	18.9
RoCE (pre-tax)	1.0	3.2	5.3	4.9	16.7	21.6	14.4	17.4	20.9
RoIC (pre-tax)	1.1	3.6	5.7	5.1	17.7	24.6	16.5	20.3	25.0
Working Capital Ratios									
Fixed Asset Turnover (x)	0.3	0.4	0.5	0.5	0.7	1.1	1.1	1.0	1.3
Asset Turnover (x)	0.3	0.3	0.5	0.5	0.6	0.9	0.4	0.4	0.4
Inventory (Days)	63	66	60	63	56	52	50	50	50
Debtor (Days)	30	24	28	35	26	9	9	9	9
Payable (Days)	39	38	30	55	38	38	38	38	38
Work. Cap. Turnover (Days)	29	22	12	1	8	11	20	20	20
Growth (%)									
Sales	14.4	31.4	42.5	-6.0	5.0	31.5	5.4	1.2	29.4
EBITDA	35.5	38.8	29.9	-6.6	87.9	5.1	-30.2	21.1	29.9
PAT	14.8	-57.0	-138.7	-269.2	-1,266.8	38.7	-46.8	48.0	37.9
Leverage Ratio (x)									
Current Ratio	1.8	1.7	1.5	1.1	1.9	1.5	1.4	1.5	1.7
Interest Coverage Ratio	0.2	0.7	1.0	0.9	3.7	7.1	6.2	9.9	11.2
Debt/Equity ratio	1.5	1.4	1.3	1.1	0.7	0.3	0.2	0.0	-0.1

Consolidated Cash Flow Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
EBITDA	47	65	84	79	148	155	108	131	170
Non-cash exp./(income)	-1	3	1	2	-2	25	0	0	0
(Inc.)/Dec. in Wkg. Cap.	7	-9	-24	19	-12	-8	6	3	-6
Tax Paid	0	-1	0	0	1	-20	-4	-25	-34
others	16	14	22	16	-14	9	-12	2	6
CF from Op. Activity	69	72	84	115	120	160	97	111	137
(Inc.)/Dec. in FA + CWIP	-25	-26	-14	-17	-9	-29	-50	-50	-50
(Pur.)/Sale of Investments	5	12	2	0	0	1	0	0	0
Loans and advances	-1	-2	3	0	-4	-9	0	0	0
Int. and Dividend Income	1	2	1	1	1	2	1	1	1
Other investing activities	2	-1	-1	0	0	0	0	0	0
CF from Inv. Activity	-18	-15	-9	-16	-11	-36	-49	-49	-49
Equity raised/(repaid)	0	14	0	5	0	-5	0	0	0
Debt raised/(repaid)	-10	-24	-30	-61	-23	-119	-45	-25	-20
Dividend (incl. tax)	0	0	0	0	0	-1	-4	-7	-7
Interest paid	-41	-47	-46	-40	-23	-26	-13	-11	-12
CF from Fin. Activity	-52	-57	-75	-94	-46	-151	-62	-43	-39
(Inc.)/Dec. in Cash	-1	0	-1	5	62	-27	-14	19	48
Add: Opening Balance	6	5	5	4	10	72	45	31	49
Closing Balance	5	5	4	10	72	45	31	49	97

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

*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. 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://online.reports.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 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.

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, 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") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from 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.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; 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.:022-71881085.

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; 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.