

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	JSTL IN
Equity Shares (m)	2,445
M.Cap.(INRb)/(USDb)	1503.5 / 18.2
52-Week Range (INR)	790 / 520
1, 6, 12 Rel. Per (%)	-9/-18/-5
12M Avg Val (INR M)	2955

Financials & Valuations (INR b)

Y/E MARCH	2022	2023E	2024E
Sales	1,464	1,790	1,909
EBITDA	390	299	473
Adj. PAT	207	129	262
EBITDA Margin (%)	27	17	25
Cons. Adj. EPS (INR)	85	53	107
EPS Gr. (%)	166	-38	103
BV/Sh. (INR)	278	311	407

Ratios

Net D:E	0.8	0.5	0.3
RoE (%)	36.2	17.9	29.8
RoCE (%)	17.4	10.5	16.9
Payout (%)	20.3	19.0	9.3

Valuations

P/E (x)	7.3	11.8	5.8
P/BV (x)	2.2	2.0	1.5
EV/EBITDA(x)	5.2	6.5	3.9
Div. Yield (%)	2.8	1.6	1.6
FCF Yield (%)	10.7	13.7	9.1

*Cons.

Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	45.0	45.0	44.1
DII	9.6	8.5	7.7
FII	11.3	11.9	13.3
Others	34.1	34.7	34.9

FII Includes depository receipts

CMP: INR622 TP: INR565 (-9%) Neutral

EBITDA, PAT below estimates, margins have bottomed out

- JSW Steel (JSTL)'s consolidated net sales increased 29% YoY and 10% QoQ to INR418b in 2QFY23, in line with our estimate of INR399b.
- Consolidated EBITDA at INR18b (down 83% YoY and 59% QoQ) was a sharp miss on our estimate of INR 35b, the lowest since the pandemic started. Consolidated EBITDA/t during the quarter stood at INR3,052 (down 89% YoY and 68% QoQ); it was at a multi-year low and posted a sharp miss v/s our estimate of INR6,279.
- JSTL reported an adjusted loss of INR14b (v/s profit of INR72b YoY and INR8b QoQ) against our estimate of INR6b profit led by higher-than-estimated costs.
- Standalone revenue stood at INR325b (up 16% YoY, 5% QoQ), in line with our estimate while EBITDA came in at INR17b (down 80% YoY, 49% QoQ) and APAT stood at a loss of INR2b.
- Net revenue in 1HFY23 was at INR798b (up 30% YoY) driven by 40% YoY sales volume growth but offset by 7% lower ASP. EBITDA was INR60b in 2QFY23 (down 71% YoY) and APAT stood at a loss of INR6b v/s profit of INR131b in 1HFY22.
- Key reasons for JSTL's poor performance, that was anyways anticipated, were: a) sharp drop in ASP post-imposition of export duty at the seasonally weakest period of the year, b) correction in RM cost was not commensurate with correction in ASP and c) weak international sentiments that did not allow price recovery throughout the quarter.
- Among the subsidiaries, JSW Steel Coated Products reported an EBITDA loss of INR0.8b due to continued provisioning of high-cost inventory; while BPSL posted a swing to EBITDA loss of INR1.8b, v/s profit of INR7b in 1QFY23. Among overseas subsidiaries, Acero Junction's EBITDA posted a loss of USD40m v/s profit of USD1m in 1Q; Plate and Pipe Mill, however, continued to report an EBITDA of USD25m as plate prices remained more resilient than HRC prices while Europe barely reported an EBITDA of EUR1m.
- The quarter was marred by several issues namely: a) continued domestic demand weakness, b) poor international sentiments, c) existing stockpile of high-cost inventory both in terms of RM and FG, and d) strong monsoon (a seasonal factor though).
- The company has highlighted that it is in advanced stages of commissioning most of its committed capex except 5mt expansion at Vijayanagar, which is likely to be commissioned by Mar'24E. Hence, JSTL expects continuous volume growth with increasing sales of value-added steel.

Valuation and view

- We believe the margin cycle has bottomed out in the near term and expect steel prices to improve slightly while costs should continue to decline.

- Management has guided for USD80/t decline in coking coal consumption costs that will boost 2HFY23 EBITDA, which will be further aided by higher volume from: a) inventory liquidation of ~0.4mt in 3QFY23 and b) incremental volume from completion of balance of plant capex at BPSL (thus increasing its capacity to 3.5mt immediately from 2.6mt).
- Further commissioning of second tinplate line and coke oven batteries partly commissioned at Vijayanagar will also boost margins.
- The stock trades at 6.5x our FY23E EV/EBITDA and appears to be fully discounting the benefits, which are likely to accrue through FY24E. We reiterate our **Neutral** rating with a revised TP of INR565 (v/s previous TP of INR 560) based on 6x FY23E EV/EBITDA

Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY22				FY23E				FY22	FY23E	FY23	v/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net Sales	289	325	381	469	381	418	467	525	1,464	1,790	399	4.8%
Change (YoY %)	145.3	70.7	74.2	74.1	31.8	28.5	22.6	11.9	83.9	22.3	22.6	
Change (QoQ %)	7.3	12.5	17.1	23.2	-18.8	9.7	11.7	12.4			4.6	
EBITDA	103	104	91	92	43	18	77	161	390	299	35	-49.9%
Change (YoY %)	666.1	144.9	53.6	8.8	-58.1	-83.2	-15.6	75.6	95.2	-23.4	-66.4	
Change (QoQ %)	21.7	1.4	-12.3	0.6	-53.1	-59.3	339.7	109.3	0.0	0.0	-18.8	
EBITDA (INR per ton)	29,608	27,198	23,355	17,903	9,597	3,052	12,862	23,812	23,872	13,000	6,279	-51.4%
EBITDA (USD per ton)	401	367	312	238	124	38	158	292	320	163	79	
Interest	10	9	13	18	14	15	8	8	50	46	11	44.8%
Depreciation	12	12	18	18	18	18	18	18	60	72	18	-0.4%
Other Income	2	9	2	2	2	2	3	3	15	10	2	-9.6%
PBT (before EO Item)	83	92	62	58	13	-14	54	138	296	191	8	-264.4%
EO Items	0	0	0	-7	0	6	0	0	-7	6	0	
PBT (after EO Item)	83	92	62	51	13	-8	54	138	288	197	8	-194.4%
Total Tax	27	26	17	17	4	1	16	41	88	62	3	-76.7%
% Tax	32.8	28.4	28.0	33.9	34.1	-7.8	29.0	29.6	30.6	31.2	31.5	
Reported PAT	56	66	45	34	9	-9	38	97	200	135	6	-248.6%
MI (Profit)/Loss	0.0	-0.1	-1.6	-1.1	0.0	0.7	-0.1	-0.1	-2.7	0.5	-0.1	
Share of P/(L) of Assets	3.2	6.0	0.2	-0.3	-0.2	-0.6	0.7	0.7	9.2	0.7	0.7	
Adjusted PAT	59	72	44	32	8	-14	39	98	207	131	6	-326.6%
Change (YoY %)	-1,152.4	443.7	62.5	-25.5	-85.8	PL	-11.4	203.3	165.7	-36.8	-91.1	
Change (QoQ %)	36.1	21.4	-39.2	-25.8	-74.1	PL	LP	154.1			-24.2	

Standalone quarterly performance

(INR b)

Y/E March (Standalone)	FY22				FY23E				FY22	FY23E	FY23	v/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Sales ('000 tons)	3,610	3,790	4,010	5,110	4,030	5,010	5,353	6,300	14,880	16,520	5,130	2.4%
Change (YoY %)	28.9	-8.0	2.8	25.9	11.6	32.2	33.5	23.3	-1.3	11.0	35.3	
Change (QoQ %)	-11.1	5.0	5.8	27.4	-21.1	24.3	6.9	17.7			27.3	
Net Sales	260	280	289	360	311	325	357	427	1,188	1,420	315	-3.1%
Change (YoY %)	152.2	66.7	50.0	47.6	19.8	16.1	23.7	18.5	68.0	19.5	12.4	
Change (QoQ %)	6.4	7.9	3.0	24.8	-13.6	4.5	9.8	19.6			1.2	
EBITDA	95	87	68	69	34	17	54	125	319	230	29	68.0%
Change (YoY %)	564.2	107.7	20.7	-13.9	-64.7	-79.9	-19.9	80.5	65.5	-27.8	-66.3	
Change (QoQ %)	18.3	-8.6	-21.6	1.6	-51.5	-48.0	212.4	129.1			-12.7	
Margin (%)	36.6	31.0	23.6	19.2	10.8	5.4	15.2	29.2	26.8	16.2	9.3	
Spreads	40,526	38,583	32,304	27,671	29,541	19,786	27,433	33,794	32,657	27,654	23,878	
Conv. cost	14,235	15,699	15,354	14,155	21,223	16,309	17,267	14,004	13,366	16,537	18,172	
EBITDA (INR/T)	26,291	22,884	16,950	13,517	8,318	3,477	10,166	19,790	19,291	11,116	5,706	
EBITDA (USD/T)	356	309	227	180	108	44	125	243	259	139	72	
Interest	8.4	8.0	8.9	13.2	10.3	10.9	9.6	9.6	38.5	40.4	10.0	
Depreciation	10.0	10.5	12.4	12.3	11.8	12.1	12.1	12.1	45.1	48.1	12.1	
Other Income	2.0	9.2	3.9	4.2	2.8	4.2	2.8	3.5	19.3	13.3	2.1	
PBT (before EO Item)	79	77	51	48	14	-1	35	106	254	155	9	PL
EO Items	0.0	0.0	0.0	-7.2	0.0	0.0	0.0	0.0	-7.2	0.0	0.0	
PBT (after EO Item)	79	77	51	41	14	-1	35	106	247	155	9	PL
Total Tax	25.9	23.6	16.4	14.2	4.7	0.5	11.0	33.0	80.1	48.3	2.9	
% Tax	33.0	30.4	32.4	35.0	33.1	-33.1	31.0	31.0	32.4	31.2	31.0	
Reported PAT	53	54	34	26	10	-1	24	73	167	107	6	PL
Adjusted PAT	53	54	34	31	10	-2	24	73	172	106	6	PL
Change (YoY %)	na	218.1	21.0	-27.5	-81.8	-103.4	-28.5	136.6	98.3	-38.4	-88.2	
Change (QoQ %)	na	2.4	-36.4	-9.3	-69.2	-118.9	-1,453.2	200.0	0.0	0.0	-33.6	

Source: Company, MOFSL



Highlights from the management interaction

FY23 guidance:

- Crude steel production will be 25mt at the consolidated level and sales will be 24mt; guidance provided during FY23 has been maintained so far.
- Coking coal costs in 2QFY23 was USD380/t, down USD40/t QoQ and in line with the guidance of a further cut by USD80/t.
- As per the management, monthly prices have bottomed out, barring any small quantities.

NSR, costs and margins

- NSR declined ~INR10,000/t while costs have fallen INR5,200/t impacting margins by INR4,800t on standalone basis.
- Coking coal prices in 2QFY23 on consumption basis was at USD380/t v/s USD421/t in 1QFY23.
- Exports were down 37% QoQ.
- Domestic sales remained strong with a market share of ~18%.
- Fuel consumption was very high in BPSL due to severe monsoon.
- Major overseas and domestic subsidiaries reported losses of INR 1.9b. Consolidation led to INR100m EBITDA.

One offs

- Foreign currency translation reserve arising out of Chilean iron ore mines' transaction of INR3.36b was transferred to P&L post-write off of the business.
- INR2.55b was recorded as the gain on recognizing possible receivables from BPSL towards expense incurred in a mine which has been deallocated

- BPSL had a coal mine that was cancelled. The company had invested in those mines and part of the same has been claimed by the company as reimbursement of investment in the mines.
- Management highlighted about INR14b of one-off items in 2QFY23.

Capex and debt:

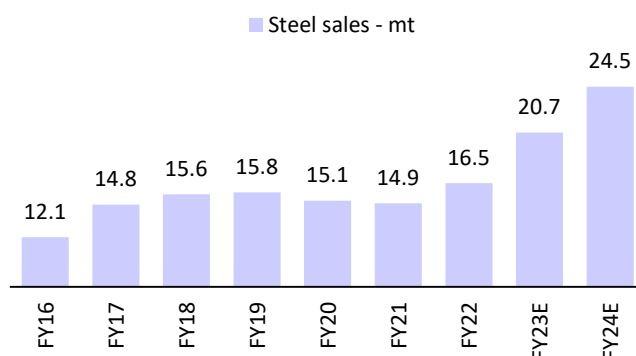
- Debt was at INR657b, down INR15b QoQ .
- Debt increased by INR24b due to FX currency translation loss.
- Acceptances on revenue/capital account stood at USD2,484m/USD31m.
- Capex for the quarter was at INR67b.
- HSTL commissioned another tin line, CAL 2 line at Vijayanagar and battery A of coke oven plant.
- The 5mt Vijayanagar plant is on schedule for completion by Mar'24E and color coating lines are coming up as per schedule.

Macro:

- Global energy and inflation crises have resulted in a moderation of steel demand.
- In the first eight months of CY22, total steel production cut was ~68mt of which ~42mt was in China and the balance was in RoW. Despite 26mt cut in RoW, India and the Middle East continued to do well.
- Domestic demand remained strong in India. During 2QFY23, steel production was up 3% YoY but marginally down by 1.1% QoQ to 30.4mt.
- Consumption of steel in 2QFY23 was down 1.9% YoY to 28mt but up 2.4% QoQ.
- Management highlighted that severe monsoon and challenging international market were the key reasons for the soft demand in 2QFY23.

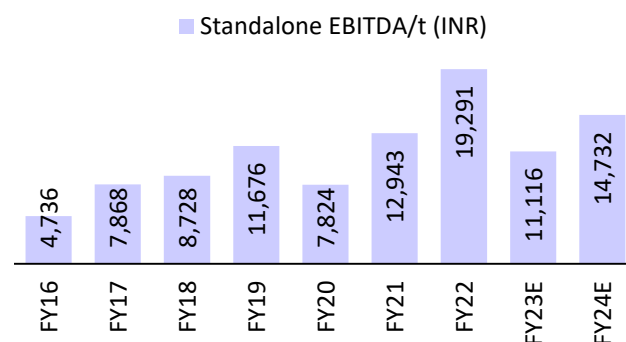
Story in charts

Exhibit 1: Expect volume CAGR of ~18% over FY21-24...



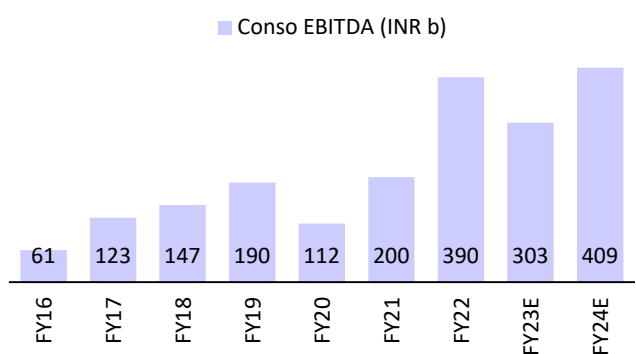
Source: Company, MOFSL

Exhibit 2: ...with EBITDA/t likely to bottom out in 2QFY23



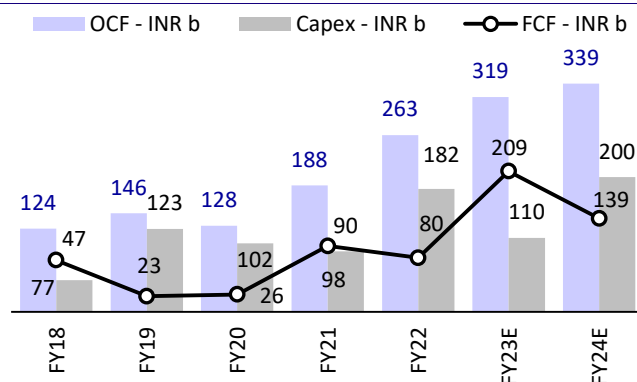
Source: Company, MOFSL

Exhibit 3: Lower EBITDA/t offset by higher volumes; volumes to support higher EBITDA in FY24E...



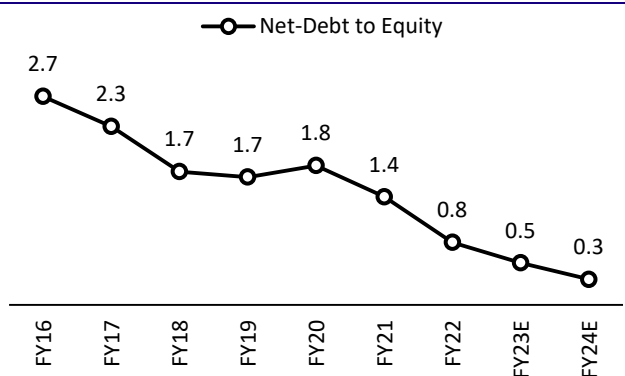
Source: Company, MOFSL

Exhibit 4: JSTL should report positive FCF in FY23/24E due to moderation in capex



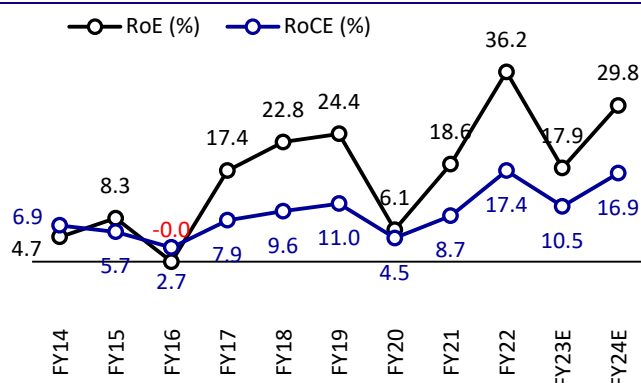
Source: Company, MOFSL

Exhibit 5: Leverage continues to decline



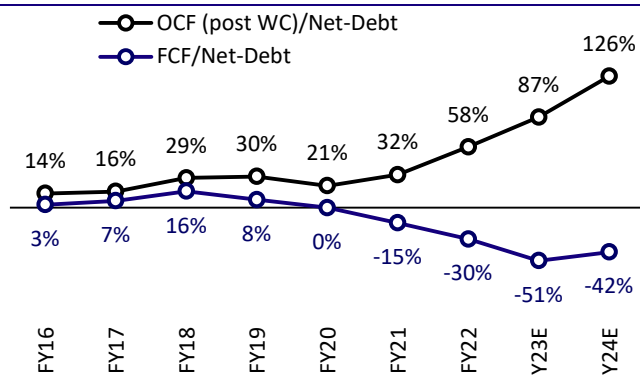
Source: Company, MOFSL

Exhibit 6: Return ratios to dip in FY23 but recover in FY24



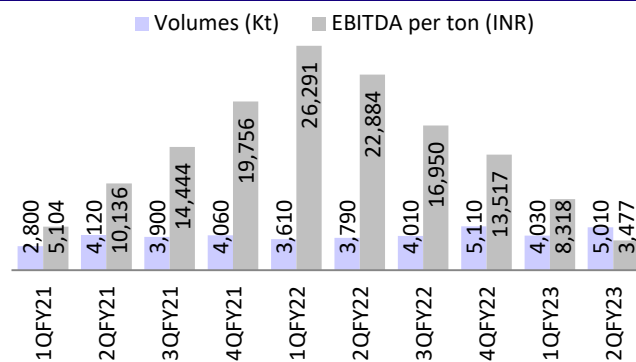
Source: Company, MOFSL

Exhibit 7: FCF /Net debt to continue to improve



Source: MOFSL, Company

Exhibit 8: EBITDA/t should bottom out in 2QFY23



Source: MOFSL, Company

Exhibit 9: Change in key assumptions and our estimates

INR b	FY23E			FY24E		
	New	Old	Change (%)	New	Old	Change (%)
Volumes (mt)	20.7	20.6	0.7	24.5	24.5	0.0
Realisation (INR/t)	68,336	65,005	5.1	63,071	60,360	4.5
EBITDA (INR/t)	11,116	11,531	-3.6	14,732	15,967	-7.7
Consolidated (INR b)						
Revenue	1,790	1,694	5.7	1,909	1,865	2.3
EBITDA	299	298	0.4	473	485	-2.6
Adjusted PAT	129	133	-3.4	262	267	-2.0

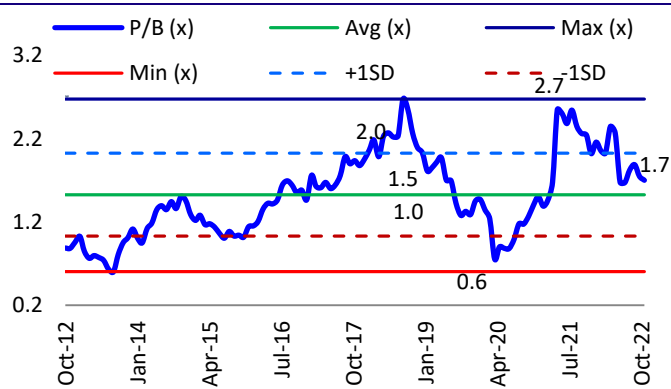
Source: MOFSL

Exhibit 10: Calculation of target price

Y/E March	FY23E
Consolidated sales volume (mt)	23
EBITDA/t (INR)	13,000
Consolidated EBITDA (INR b)	299
Target EV/EBITDA (x)	6.0
Target EV (INR b)	1,793
Less: Net debt (INR b)	412
Equity value (INR b)	1,381
No. of shares (b)	2.4
Target price (INR/share)	565

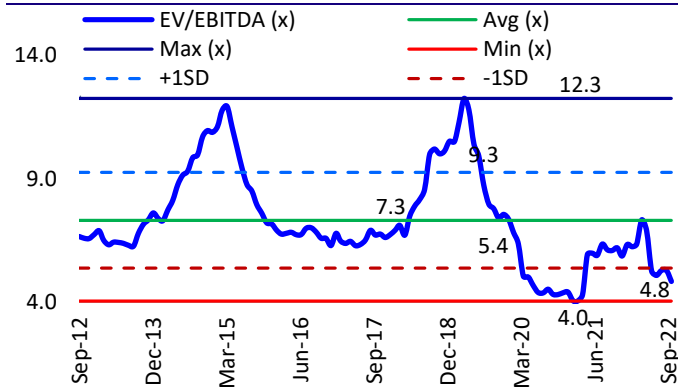
Source: MOFSL

Exhibit 11: P/B ratio band for JSTL



Source: MOFSL, Company

Exhibit 12: EV/EBITDA band for JSTL



Source: MOFSL, Company

Exhibit 13: Global comparable valuation

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*	14,811	3.0	5.6	6.5	2.7	4.2	1.8	1.1	1.0	0.9	44.6	18.5	14.4
JSW*	18,197	7.0	10.9	9.1	5.2	6.8	5.9	2.2	2.0	1.7	37.9	19.3	20.0
JSP*	5,407	5.1	9.4	6.8	3.5	5.2	3.7	1.2	1.1	1.0	25.9	12.4	15.0
SAIL*	3,891	2.3	9.5	3.9	2.3	4.8	2.4	0.6	0.6	0.5	27.7	6.2	14.6
Japan													
JFE	5,767	3.0	5.4	6.0	4.6	6.0	6.4	0.4	0.4	0.4	15.5	7.5	6.3
Nippon Steel	13,486	3.7	3.9	5.1	4.6	4.3	5.2	0.6	0.5	0.5	18.1	12.7	8.6
Kobe Steel	1,634	4.3	4.3	4.6	5.1	5.5	5.2	0.3	0.3	0.3	7.2	6.6	5.4
Korea													
POSCO	14,726	4.1	4.8	4.6	2.6	2.9	2.6	0.4	0.3	0.3	9.7	7.8	7.5
Hyundai Steel	2,786	2.5	3.1	3.1	3.3	3.2	2.9	0.2	0.2	0.2	8.6	6.4	6.1
US													
Nucor	34,823	4.6	10.4	13.7	3.2	6.1	7.2	1.8	1.5	1.4	43.8	15.3	10.5
US Steel	5,049	2.2	7.2	12.0	1.3	3.3	3.6	0.5	0.5	0.4	27.9	6.1	4.1
Steel Dynamics	16,866	4.2	8.2	12.1	2.9	4.9	7.4	1.9	1.6	1.3	51.3	19.5	11.5
Europe													
AM	20,137	2.1	5.6	4.5	1.8	3.3	3.1	0.4	0.3	0.3	19.8	6.3	7.0
SSAB	5,078	2.6	7.4	10.0	1.3	3.0	3.7	0.6	0.6	0.6	26.4	8.3	6.0
TKA	3,266	3.2	6.8	5.3	0.1	0.0	NA	0.3	0.3	0.3	7.2	3.6	4.7
VOE	3,696	3.5	4.2	7.5	2.9	2.8	3.4	0.6	0.5	0.5	16.7	11.3	6.0
China													
Baosteel	16,261	6.1	5.9	5.1	3.5	3.1	2.7	0.6	0.5	0.5	9.3	9.7	10.0

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

Financials and valuations

Consolidated Income Statement

(INR b)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Net sales	700.9	847.6	726.1	796.1	1,463.7	1,790.0	1,908.7
Change (%)	26.0	20.9	-14.3	9.6	83.9	22.3	6.6
Total Expenses	554.0	658.1	614.5	596.3	1,073.6	1,491.2	1,436.0
EBITDA	146.9	189.5	111.6	199.8	390.1	298.9	472.7
% of Net Sales	21.0	22.4	15.4	25.1	26.6	16.7	24.8
Depn. & Amortization	33.9	40.4	42.5	46.8	60.0	72.0	76.3
EBIT	113.0	149.1	69.1	153.0	330.1	226.8	396.4
Net Interest	37.0	39.2	42.7	39.6	49.7	45.8	42.5
Other income	1.7	2.0	5.5	5.9	15.3	10.1	13.5
PBT before EO	77.7	112.0	31.9	119.4	295.7	191.1	367.3
EO income	5.7		20.6	0.8	-7.4		
PBT after EO	83.4	112.0	52.5	120.1	288.3	197.0	367.3
Tax	22.7	36.4	12.4	41.4	88.1	61.6	108.8
Rate (%)	27.2	32.5	23.7	34.5	30.6	31.2	29.6
Reported PAT	60.7	75.5	40.1	78.7	200.2	135.5	258.5
Minority interests	1.0	1.2	1.1	0.4	-2.7	0.5	-0.8
Share of Associates	0.4	-0.3	-0.9	0.0	9.2	0.7	3.8
Preference dividend	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. PAT (after MI & Asso)	57.9	76.4	21.7	77.8	206.7	128.8	261.5
Change (%)	61.9	31.8	-71.6	258.7	165.7	-37.6	103.0

Balance Sheet

(INR b)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Share Capital	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Reserves	277.6	345.6	363.6	465.2	670.6	757.7	991.7
Net Worth	280.0	348.0	366.0	467.6	673.0	760.1	994.2
Minority Interest	-4.6	-4.5	-5.8	-6.2	12.4	12.4	12.4
Total Loans	496.5	638.0	779.9	781.7	716.7	666.7	616.7
Deferred Tax Liability	25.6	37.8	16.8	35.1	76.2	98.4	133.7
Capital Employed	797.4	1,019.2	1,156.9	1,278.2	1,478.2	1,537.5	1,756.9
Gross Block	688.2	775.0	810.9	887.0	1,296.6	1,446.6	1,696.6
Less: Accum. Deprn.	109.7	148.5	191.0	237.8	297.8	369.8	446.1
Net Fixed Assets	578.5	626.4	619.9	649.2	998.8	1,076.8	1,250.5
Capital WIP	59.5	118.9	271.9	325.7	169.1	129.1	79.1
Investments	11.6	18.1	12.6	85.7	49.3	49.3	49.3
Curr. Assets	270.2	384.5	413.8	422.6	747.7	852.5	974.2
Inventory	125.9	145.5	138.6	142.5	337.9	343.3	418.3
Account Receivables	47.0	71.6	45.1	44.9	74.6	93.2	104.6
Cash and Bank Balance	13.8	62.7	120.1	128.2	173.9	254.7	289.9
Others	83.4	104.8	110.0	107.1	161.3	161.3	161.3
Curr. Liability & Prov.	122.3	128.8	161.3	205.0	486.6	570.1	596.1
Account Payables	69.1	59.3	81.2	68.9	308.9	392.3	418.3
Provisions & Others	53.2	69.5	80.1	136.1	177.8	177.8	177.8
Net Current Assets	147.8	255.8	252.4	217.7	261.0	282.4	378.1
Appl. of Funds	797.4	1,019.2	1,156.9	1,278.2	1,478.2	1,537.5	1,756.9

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21E	FY22	FY23E	FY24E
Basic (INR)							
EPS	24.0	31.8	9.0	32.2	85.5	52.7	107.0
Cash EPS	39.2	48.3	34.4	51.9	107.7	84.9	136.9
BV/Share	116.2	145.0	152.5	193.5	278.4	310.9	406.6
DPS	2.3	3.3	4.1	6.5	17.4	10.0	10.0
Payout (%)	9.4	10.2	45.4	20.2	20.3	19.0	9.3
Valuation (x)							
P/E	25.9	19.5	68.8	19.3	7.3	11.8	5.8
Cash P/E	15.8	12.9	18.1	12.0	5.8	7.3	4.5
P/BV	5.4	4.3	4.1	3.2	2.2	2.0	1.5
EV/Sales	2.8	2.4	3.0	2.7	1.4	1.1	1.0
EV/EBITDA	13.5	10.9	19.3	10.8	5.2	6.5	3.9
Dividend Yield (%)	0.4	0.5	0.7	1.0	2.8	1.6	1.6
EV/tonne							
Return Ratios (%)							
EBITDA Margins (%)	21.0	22.4	15.4	25.1	26.6	16.7	24.8
Net Profit Margins (%)	8.3	9.0	3.0	9.8	14.1	7.2	13.7
RoE	22.8	24.4	6.1	18.6	36.2	17.9	29.8
RoCE (pre-tax)	9.6	11.0	4.5	8.7	17.4	10.5	16.9
RoIC (pre-tax)	10.6	13.0	5.9	13.8	24.2	13.9	21.7
Working Capital Ratios							
Fixed Asset Turnover (x)	1.0	1.1	0.9	0.9	1.1	1.2	1.1
Asset Turnover (x)	0.9	0.8	0.6	0.6	1.0	1.2	1.1
Debtor (Days)	24.5	30.8	22.6	20.6	18.6	19.0	20.0
Inventory (Days)	65.6	62.6	69.7	65.3	84.3	70.0	80.0
Creditors(Days)	36.0	25.5	40.8	31.6	77.0	80.0	80.0
Working Capital (Days)	54.1	67.9	51.5	54.3	25.8	9.0	20.0
Leverage Ratio (x)							
Current Ratio	2.2	3.0	2.6	2.1	1.5	1.5	1.6
Interest Cover Ratio	3.1	3.8	1.6	3.9	6.6	5.0	9.3
Debt/Equity	1.7	1.7	1.8	1.4	0.8	0.5	0.3

Consolidated Cash flow Statement

(INR b)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
EBITDA	146.9	189.5	111.6	199.8	390.1	298.9	472.7
Non-cash exp. (income)	2.3	-1.1	11.4	-5.3	-0.9	0.0	0.0
(Inc)/Dec in Wkg. Cap.	-11.0	-15.8	16.4	12.6	-72.6	59.4	-60.4
Tax Paid	-14.4	-26.3	-11.6	-19.3	-53.8	-39.4	-73.5
CF from Op. Activity	123.8	146.3	127.9	187.9	262.7	318.9	338.8
(Inc)/Dec in FA + CWIP	-47.4	-102.1	-128.1	-92.6	-99.6	-110.0	-200.0
(Pur)/sale of Invest.	0.1	2.5	0.9	-2.9	-1.4	0.0	0.0
Acquisition in subs.	-3.6	-14.3	1.0	-66.6	-6.8	0.0	0.0
Int. & Dividend Income	1.3	1.6	5.1	6.3	6.2	10.1	13.5
Others	0.6	-2.2	-74.7	74.6	-58.3	0.0	0.0
CF from Inv. Activity	-49.0	-114.5	-195.9	-81.2	-159.9	-99.9	-186.5
Equity raised/(repaid)	-0.3	-1.5	0.1	0.0	0.0	0.0	0.0
Debt raised/(repaid)	-39.9	66.5	110.8	17.1	-79.8	-50.0	-50.0
Dividend (incl. tax)	-6.6	-9.3	-12.0	-4.8	-15.7	-42.4	-24.5
Interest paid	-35.1	-38.2	-47.0	-43.4	-51.0	-45.8	-42.5
Other financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CF from Fin. Activity	-81.9	17.5	51.9	-31.1	-146.6	-138.2	-117.0
(Inc)/Dec in Cash	-7.1	49.4	-16.1	75.6	-43.7	80.7	35.3
Add: opening Balance	17.9	13.8	62.7	120.1	128.2	173.9	254.7
Regrouping etc.	3.0	-0.4	73.5	-67.4	89.4	0.0	0.0
Closing Balance	13.8	62.7	120.1	128.2	173.9	254.7	289.9

NOTES

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

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