Jindal Stainless

BSE SENSEX	S&P CNX
85,232	26,068

Stock Info

Bloomberg	JDSL IN
Equity Shares (m)	824
M.Cap.(INRb)/(USDb)	620.4 / 6.9
52-Week Range (INR)	826 / 497
1, 6, 12 Rel. Per (%)	-6/12/3
12M Avg Val (INR M)	643
Free float (%)	38.8

Financials Snapshot (INR b)

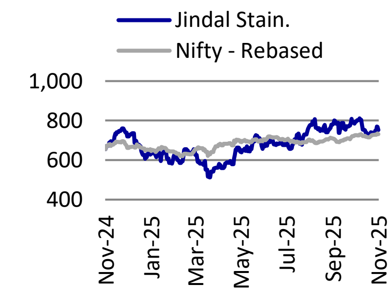
Y/E MARCH	2026E	2027E	2028E
Sales	443.3	508.7	572.3
EBITDA	55.9	63.4	70.9
Adj. PAT	31.4	36.7	41.4
EBITDA (%)	12.6	12.5	12.4
Adj. EPS (INR)	38.1	44.5	50.3
BV/Sh. (INR)	237	278	324
Ratios			
Net D:E	0.2	0.1	0.1
RoE (%)	16.1	16.0	15.5
RoCE (%)	13.0	13.2	13.0
Payout (%)	9.1	9.0	8.0
Valuations			
P/E (x)	19.5	16.8	14.9
P/BV (x)	3.2	2.7	2.3
EV/EBITDA(x)	11.7	10.2	8.9
Div. Yield (%)	0.5	0.5	0.5

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	61.2	61.1	60.5
DII	7.1	7.1	5.9
FII	21.5	21.3	22.8
Others	10.2	10.6	10.9

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR753 TP:INR870 (+16%) Buy

Long growth runway; Well-placed as the industry leader

Strategic expansion to strengthen global leadership and long-term growth visibility

- Jindal Stainless (JDSL) is executing a strategy to support sustainable long-term growth, which focuses on: 1) capacity expansion, 2) raw material security, and 3) product diversification and value addition. The aim is to create long-term growth headroom while insulating the business from scrap price volatility and expanding margins. The company's consolidated melt capacity will rise 40% to ~4.2mtpa by FY27, with downstream capacity to increase 1.2x the total melt capacity.
- **Indonesia JV:** JDSL's 1.2mtpa SMS JV in Indonesia (scheduled for commissioning by FY26) involves a total outlay of INR14.5b (JSL share: INR7.1b), translating into USD143/t, which is well below the global Greenfield cost of USD220–230/t.
- **Downstream expansion and acquisitions:** Jajpur's downstream (HR/CRAP) expansion, along with infra and renewable upgrades, is expected to be commissioned by FY27-end. JDSL has integrated JUSL, adding 3.2mtpa HSM and 0.2mtpa CRM capacity to support incremental melt volumes. RSSL and RVPL produce long products for the infra and construction segments, strengthening the company's product diversification strategy.
- **Scaling the cold-rolled (CR) portfolio:** The company has acquired Chromeni Steels (0.6mtpa), bringing the total CR capacity to ~2.1mtpa, with a potential to reach 4mtpa.
- **Potential growth plan:** JDSL signed a MoU with Maharashtra for a 4mtpa Greenfield project, to be developed in a phased manner of 1mtpa each over 15-years.

Evolving mix to improve NSR and mitigate cheap import threats

- In the past seven years, JDSL has steadily improved its product mix by increasing the share of higher-value 300/400 series grades, reducing exposure to cheap Chinese/Indonesian imports, and improving realizations.
- The company's strategic moves of Indonesia JVs (NPI + 1.2mtpa SMS) and downstream acquisitions (CSPL, JUSL, RSSL, RVPL) will strengthen raw material security, support incremental melt capacity, and drive its cold-rolled share toward the 75% target (vs. 45% earlier).
- While JDSL has historically been concentrated in flat products with low infra exposure (3–5%), the RSSL and RVPL acquisitions have expanded its presence into the infra segment, which accounts for ~20% of India's SS demand.
- With a rising VAP portfolio and a richer product/series mix, JDSL is well-positioned to sustain strong profitability, with an anticipated EBITDA/t of INR20,500-22,000/t over FY26–28, backed by better NSR, cost efficiency, raw material stability, and ongoing capacity ramp-up.

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Securing stable RM supplies via JV and de-risking operation from the scrap-based business model

- JDSL is de-risking its scrap-dependent model by securing stable raw material supplies through a JV in Indonesia. The raw materials form ~75% of stainless-steel production costs, with nickel alone contributing 40–45%, making margins highly sensitive to nickel price swings.
- India's nickel deficit and unreliable domestic SS scrap have led to heavy reliance on imports (ferronickel, SS scraps, and semis). To address this, JDSL has acquired a 49% stake in a JV with New Yaking (Tsingshan Group) to operate a 200kt NPI smelter (14% Ni) in Indonesia for USD157m.
- With a 3mtpa melt capacity, JDSL's estimated nickel requirement is ~130kt. The company has secured ~20% of this requirement through the NPI route (~28kt Ni), reducing dependence on scrap and ferronickel and ensuring long-term nickel supply stability.

Regulatory tailwinds could drive better NSR and support SS spreads

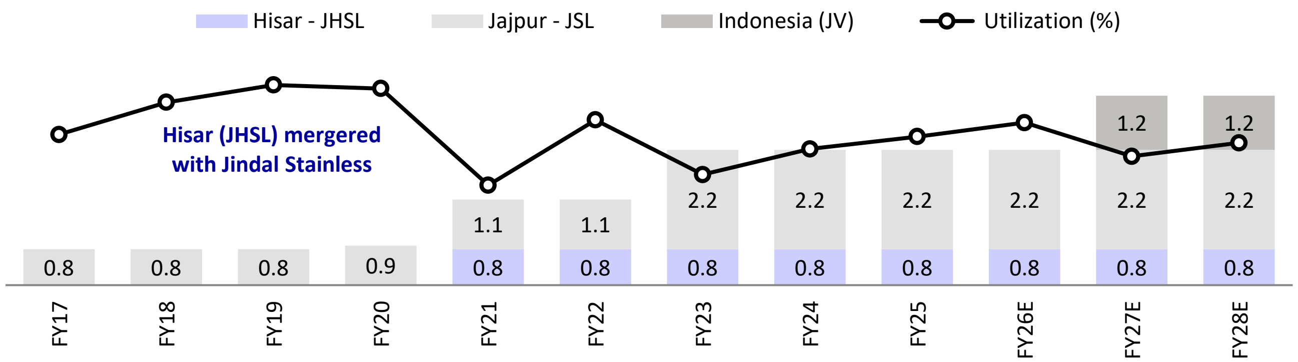
- Cheap SS imports, mainly from China, Vietnam, and Indonesia, continue to pressure India's domestic SS market. In FY25, flat SS imports stood at ~1mt (one-third of domestic demand), and were typically priced 5-10% below local products.
- DGTR is currently investigating anti-dumping duties, particularly on the 300/400 series, which together formed ~75% of imports in 1HFY26 (vs 58% in FY24). Domestic SS prices have recently strengthened, supported by expectations of Anti-Dumping Duties (ADD) and Quality Control Order (QCO) enforcement. In Oct'25, 304 SS CRC prices were at ~10% premium to import parity.
- However, the Steel Ministry's temporary exemption from QCO compliance has increased import inflows, maintaining pressure on the domestic market. JDSL is seeking clarity on QCO implementation from the Steel Ministry (due Nov'25), while ADD decisions are also likely to be announced. These measures are expected to lift domestic NSR and support SS spreads.

Valuation and view

- The SS industry is set for strong growth as India's SS consumption is expected to reach 7.3mt by FY31 and 12.5-20mt by 2047, backed by rising adaptability across sectors like infrastructure, manufacturing, automotive, consumer durables, and growing new-age sectors. We believe JDSL is well placed to capitalize on this robust demand outlook, with a higher VAP portfolio supporting margins.
- From being solely a flat SS producer to a diversified long SS player, JDSL has expanded into rebar, wire rods, and others, unlocking significant infrastructure opportunities. Additionally, its focus on value-added CR SS has strengthened its position in both domestic and export markets.
- **At CMP, the stock trades at 10.2x EV/EBITDA and 2.7x P/BV on FY27E. We reiterate our BUY rating with a TP of INR870 (premised on 11x EV/EBITDA FY27 estimate).**

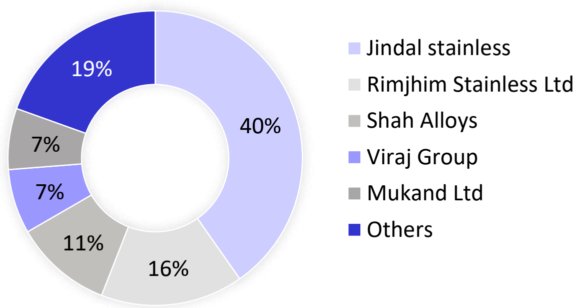
Story in charts

Exhibit 1: Significant increase in SMS capacity from 0.8mtpa to 4.2mtpa by FY27



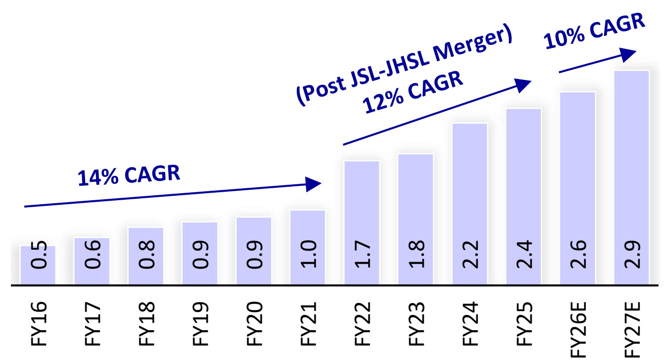
Source: Company, MOFSL

Exhibit 2: JDSL holds ~40% share of India's total SS capacity



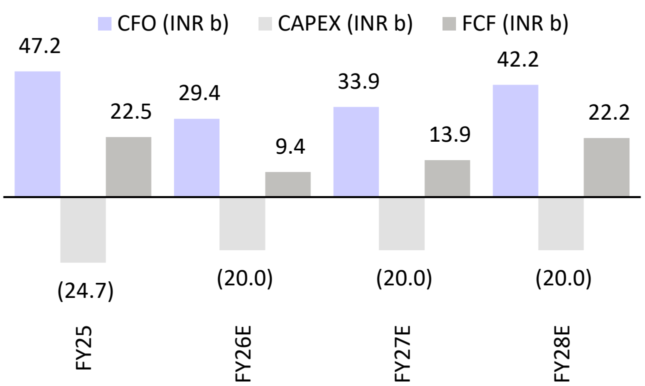
Source: Industry, MOFSL

Exhibit 3: Strong volume growth led by capacity ramp-up



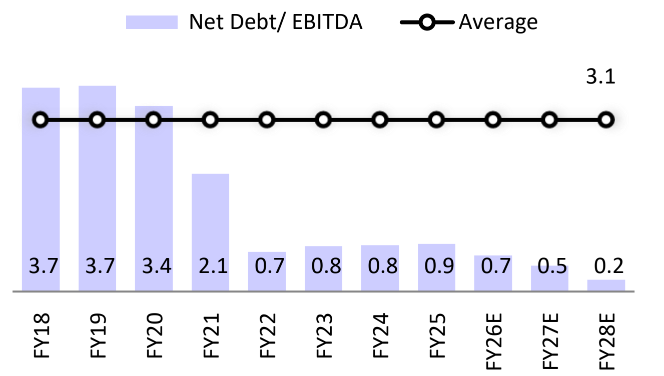
Source: Company, MOFSL

Exhibit 4: Capex intensity to remain steady over FY26-28…



Source: Company, MOFSL

Exhibit 5: …Net debt/EBITDA to remain under control



Source: Company, MOFSL

Investment rationale

Strategic expansion to strengthen global leadership and long-term growth visibility

JDSL's growth strategy focuses on capacity expansion, raw material security, downstream enhancement, and diversification:

The investment will increase the consolidated installed melt capacity by 40% to ~4.2mtpa by FY27 (vs. 3mtpa as of FY25), with downstream capacity share rising to 1.2x (~5.1mtpa) of the total smelt capacity. These initiatives collectively provide: a) production headroom for long-term growth, b) de-risking from the scrap-based business operation, and c) expanded downstream capacities with a higher VAP share and an improved series mix. With the completion of ongoing capex, JDSL is set to become one of the top five SS manufacturers globally.

A) Indonesia JV a low-cost investment vs. greenfield expansion

- JDSL has entered into a JV to set up and operate a 1.2mtpa SMS in Indonesia, which is progressing well and is expected to be commissioned by FY26-end. The total capex outlay is expected to be ~INR14.5b, with JDSL's share at ~INR7.1b, translating into ~USD143/t compared to the global average of ~USD220-230/t for an equivalent Greenfield expansion globally.

Exhibit 6: JDSL's expansion strategy

Acquisition/Expansion	Capex	Remark
Indonesia JV (49% stake)	INR7.1b	1.2mtpa steel melt shop
Downstream HRAP & CRAP expansion - Jajpur	INR19.0b	1.1/0.17mtpa HR/CR - Brownfield Expansion
Chromeni Steel Pvt. Ltd (CSPL)	INR16.2b (INR0.45b equity + INR12.95b debt)	(Acquired 54% stake) 0.6mtpa CR mill
Infra Upgradation and ESG projects	INR12.0b	Railway siding, locomotives and RE
Specialty Steel	INR2.5b	ESR Furnace & Forging at Hisar facility
Total Announced Capex	**INR56.8b**	
Recent Strategic Acquisition		
Rabirun Vinimay Pvt. Ltd (RVPL)	INR1b	50ktpa downstream long products
Jindal United Steel Ltd. (JUSL)	INR9.6b (for remaining 74% equity stake)	1.6mtpa HSM and 0.2mtpa cold rolled mill
Rathi Super Steel Ltd. (RSSL)	INR2b	0.16mtpa long products

Source: Company, MOFSL

Exhibit 7: Installed melt capacity by 40% to ~4.2mtpa, with downstream share rising to 1.2x of total melt capacity

Capacity (Mtpa)	Melt Shop	Upstream		Downstream Flat		Downstream Long	as % of Melt Shop	
		Hot Strip	Long	HRAP	CRAP	Pipes/Tubes	Downstream	Cold-Rolled
Capacity as of FY25	**3.00**	**3.92**	**0.17**	**1.91**	**2.05**	**0.05**	**134%**	**70%**
Indonesia	*1.20*	-	-	-	-	-		
Jajpur - Brownfield / Debottleneck	-	-	-	*1.10*	*0.17*	-		
Readjustment of Combo-line	-	-	-	*(0.45)*	*0.30*	-		
Total expansion plan	**1.20**	**-**	**-**	**0.65**	**0.47**	**-**		
Total post expansion	**4.20**	**3.92**	**0.17**	**2.56**	**2.52**	**0.05**	**122%**	**61%**

Source: Company, MOFSL

B) Downstream acquisition to support incremental melt capacity

- **Jajpur capacity:** To accommodate the increase in melting capacity, JDSL plans to invest ~INR19b in downstream (HR/CRAP) capacity expansion at its existing facility in Jajpur. In addition, INR12b will be spent on upgrading infrastructure, railway siding, and renewable power facilities.
- **Integrating JUSL operations:** JDSL has acquired 74% of JUSL for a cash consideration of INR9.6b, making it a 100% owned subsidiary. JUSL operates a 3.2mtpa hot strip mill and a 0.2mtpa cold rolling mill, expanding JDSL's downstream capacity and catering to the incremental melting capacity.
- **Product diversification strategy via acquisition of RSSL and RVPL:** JDSL is predominantly a flat steel manufacturer with limited exposure to the infra sector (~3-5%). However, with the RSS and RVPL acquisitions, the company aims to increase its operations in the infra space, which contributes ~20% of India's total SS demand. RSSL currently operates at 75% utilization, focusing on rebar with rolling capacity of 0.16mtpa. The company plans to reach 0.20mtpa in the next two to three years. RVPL has a downstream capacity of 50ktpa for pipes and tubes, with an expansion potential of up to 250ktpa. Currently, the RVPL facility is being used for polished VAPs.

C) Focus on increasing cold-rolled products in the product portfolio mix

- In Jun'24, JDSL acquired a 100% stake in Chromeni Steels (CSPL) at a consideration of ~INR16b (comprising ~INR12.95b debt and ~INR0.45b equity + existing stake INR2.78b). The acquisition increased JDSL's total cold-rolling capacity by 0.6mtpa to ~2.1mtpa, with a potential for a further increase to ~4mtpa.
- As the plant was restarted after four years of closure, management expects a steady ramp-up, which could lead to potential operating losses in the near term. Operating at 55-60% utilization as of Mar'25, management is targeting to reach 70-75% by 3Q/4QFY26.
- JDSL plans to expand CPSL, along with some debottlenecking and readjustment of its combo line, increasing the share of CR products to 60% (vs. ~48% currently). It also plans to further increase the share to 75%.
- The company has recently signed a MoU with the Maharashtra government for a Greenfield project of 4mtpa (each phase of ~1mtpa) to be built over 15 years. Land acquisition and project detailing are underway. Management hinted that the Maharashtra expansion may be preferred over CSPL due to better incentives, proximity to a key market, and favorable government support.

Evolving mix to improve realization and mitigate cheap import threats

- Over the past seven years, JDSL has steadily improved its product mix with a strategic focus on increasing the share of 300/400 grades. This shift helps the company reduce its exposure to cheaper Chinese and Indonesian imports and supports better realizations.

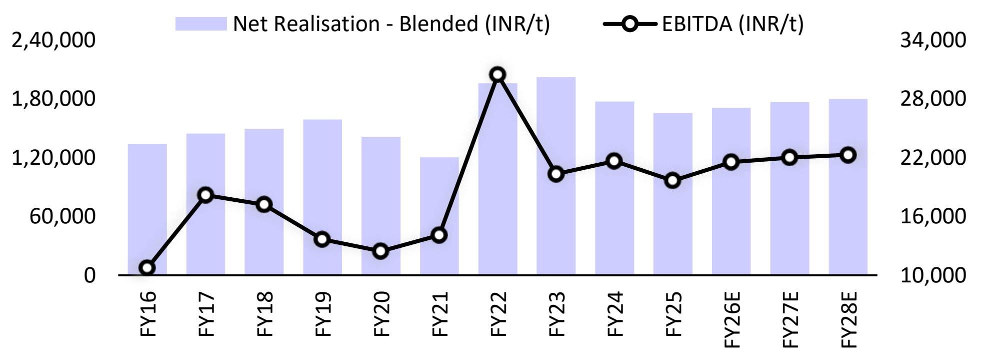
Exhibit 8: Improved product mix with an increasing share of 300/400 grades (%)

Stainless Steel Series-Mix	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Grade 300	43.0	45.0	45.0	51.0	44.8	45.0	46.3
Grade 200	40.0	36.0	34.0	28.0	29.3	34.8	36.8
Grade 400	17.0	19.0	21.0	21.0	26.3	20.3	17.0

Source: Bloomberg, Company, MOFSL

- JDSL has formed two JVs in Indonesia to establish an NPI facility and a 1.2mtpa SMS plant, increasing the upstream volumes from Indonesia to cater to domestic demand in India. It has also acquired multiple downstream companies (CSPL, JSUL, RSSL, and RVPL) in India to efficiently manage incremental melt capacity and increase its VAP share with a higher 300/400 series mix. These acquisitions were in line with the company's target to increase its cold-rolled share to 75% vs. 45% previously.
- JDSL is predominantly a flat steel manufacturer with limited exposure to the infra sector (~3-5%). However, with the acquisition of RSS and RVPL, the company aims to increase its operations in the infra space, which contributes ~20% of India's total SS demand.
- JDSL is strategically expanding into VAP downstream products, which will enhance its product/series mix (leading to better NSR) and support EBITDA margins. We anticipate EBITDA/t to remain strong at around INR20,500-22,000/t during FY26-28, driven by improved NSR, cost efficiencies, raw material security, and capacity ramp-up.

Exhibit 9: Higher VAP and operational efficiencies to expand JDSL margins



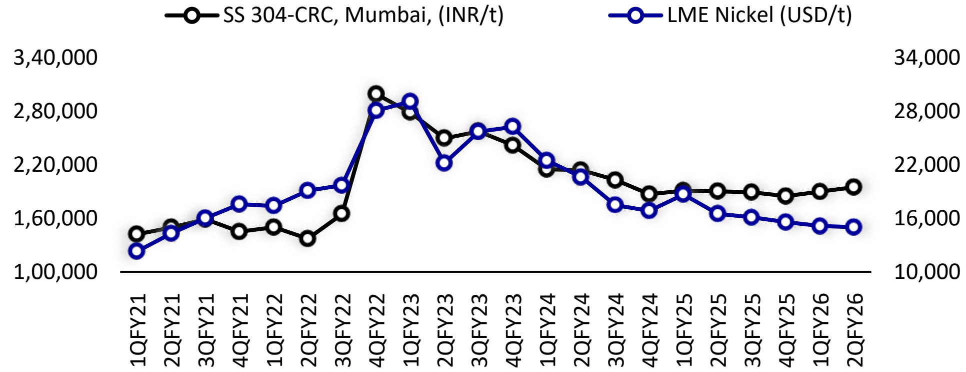
Source: Company, MOFSL

Securing stable RM supplies via JV – De-risking from the scrap-based business model

- Raw materials (including coal for CPP) account for ~75% of total SS production cost, with nickel alone holding a 40-45% share. This makes the industry highly vulnerable to fluctuations in nickel prices, which can influence operating margins. India faces a nickel deficit, and with limited domestic availability of SS scrap, the country remains heavily reliant on imports (i.e. ferronickel, SS scrap).
- Historically, JDSL sourced SS scrap through a combination of domestic and imported purchases. However, the unreliability of domestic SS scrap supply, along with global trade uncertainties, makes the company highly exposed to operational risks.

- The company, holding a 49% stake, has partnered with New Yaking Pte Ltd (a step-down subsidiary of the Tsingshan Group) to operate a 200kt NPI smelter (with an average 14% Ni content) in Halmahera, Indonesia, at a total consideration of USD157m.

Exhibit 10: SS prices are highly influenced by nickel prices (key input material)



Source: Bloomberg, Company, MOFSL

The facility was commissioned in Aug'24 and currently operates at ~90% utilization rate. The project is expected to generate ~INR2-3b (at ~49% stakes) of operating profit, with a projected payback period of ~5-6 years.

- JDSL operates a 3mtpa melt capacity in India. Assuming a product mix of ~50% and 30% for the 300 and 200 series and the remaining for the 400 series, the company will require ~4.5% (~130kt) of nickel. Of this, ~20% has been secured via the 200kt NPI route (average 14% Ni content – 28kt), while the remaining 80% is sourced through SS scrap and ferronickel (FeNi). This strategic move ensures JDSL has secured overseas nickel reserves, ensuring long-term supply and mitigating market volatility caused by nickel price movements.

Exhibit 11: Likely to generate ~INR2-3b (at ~49% stakes) of operating profit, with a projected payback of ~5-6 years

Particular	JDSL (NPI JV)
NPI production	**2,00,000**
Nickel grade	14.0
Total nickel production	**28,000**
Expected EBITDA (USD/t)	**2,000**
EBITDA (USD m)	**56.0**
Capex (USD m)	**320.0**
Potential Payback Period (in years)	**5.7**

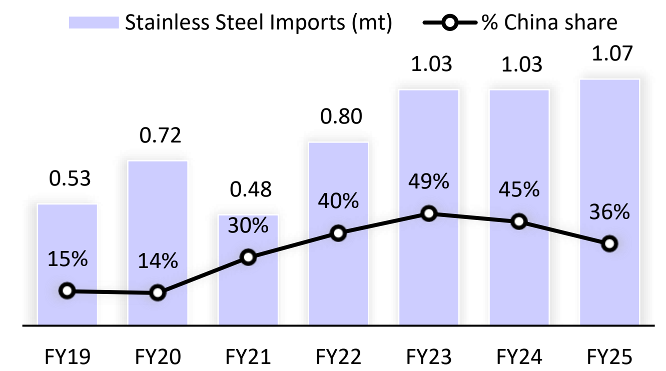
Source: Bloomberg, Company, MOFSL

Regulatory tailwinds could drive better NSR and support SS spreads

- Despite strong domestic demand and steady growth, the Indian SS market faces significant pressure from cheap imports, particularly from China, Vietnam, and Indonesia. According to BigMint, India imports ~1mt of flat SS in FY25, which was a third of total domestic consumption. Of this, over 65% was imported from China, Vietnam, and Indonesia combined.
- These imports are broadly priced 5-10% below domestic levels, intensifying competition and affecting local producers. The industry has petitioned for anti-dumping duties, and an investigation by the Directorate General of Trade Remedies (DGTR) is currently underway (link).

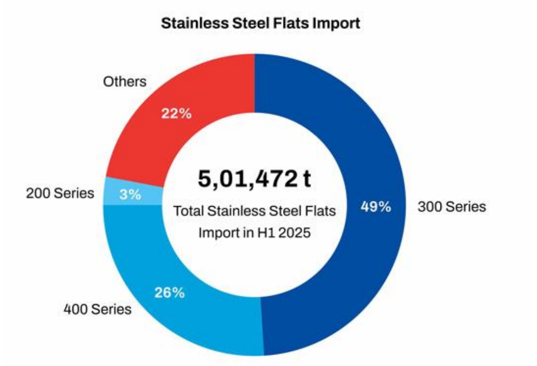
- Flats imports in 1HCY25 reached 0.5mt, with the 300 series contributing 50%, followed by the 400 series at 25% and the 200 series at ~3%. Given that the 300/400 series stand at ~75% of total imports in 1HFY26, they are directly under the radar of the DGTR investigation.

Exhibit 12: 65% of imports are from China, Vietnam, and Indonesia combined



Source: BigMint, MOFSL

Exhibit 13: India series-wise SS imports in 1HCY25; 300/400 series contribute ~75%



Source: BigMint, MOFSL

- Domestic pricing has broadly traded at par with import parity, while the announcement on QCO and anticipation of ADD on SS imports have raised domestic SS prices (Oct'25 - 304 CRC; INR202,000/t was at a 10% premium to import parity prices).
- However, the Ministry of Steel has granted a temporary exemption on QCO compliance to ensure uninterrupted supply and prevent short-term shortages in the domestic market. This has intensified import pressure. Market participants are awaiting the announcement on QCO compliance for SS imports (expected in Nov'25), which will provide clarity on the future trade direction. Additionally, the announcement of ADD is expected to drive domestic pricing and support spreads.

Exhibit 14: In Oct'25, SS 304 CRC prices stood at INR2,02,000/t, at a 10% premium to import parity prices

Particulars	30-Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	12-Oct-25	05-Nov-25
SS 304 grade CR - India (A)	**1,93,000**	**1,87,000**	**1,86,500**	**1,91,000**	**2,02,000**	**1,94,000**
China FOB (USD/t)	2,055	1,974	1,910	1910	1,930	1,860
Freight cost (USD/t)	10	10	10	10	10	10
CIF India (USD/t)	2,065	1,984	1,920	1,920	1,940	1,870
Assessable value (CIF x 1%)	2,086	2,004	1,939	1,939	1,959	1,889
Customs duty (%)	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Sub total	**2,242**	**2,154**	**2,085**	**2,085**	**2,106**	**2,030**
Anti-Dumping Duties-ADD (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Port Handling Charges	10	10	10	10	10	10
Total Landed cost in India (USD/t)	**2,252**	**2,164**	**2,095**	**2,095**	**2,116**	**2,040**
Total landed cost in India (INR/t) - (B)	**1,88,658**	**1,82,621**	**1,81,415**	**1,79,266**	**1,84,336**	**1,77,716**
USD/INR	83.8	84.4	86.6	85.6	87.1	87.1
Import parity prices (discount) / premium (%)	**2%**	**2%**	**3%**	**7%**	**10%**	**9%**

Source: Bloomberg, Company, MOFSL

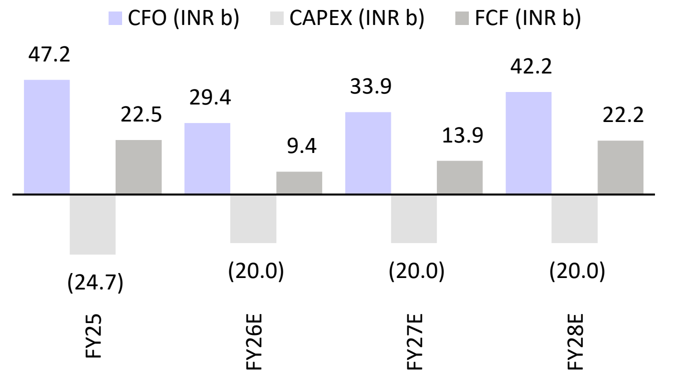
Valuation and estimate

Exhibit 15: Operating earnings assumption

Particular	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Volumes (mt)	**1.0**	**1.7**	**1.8**	**2.2**	**2.4**	**2.6**	**2.9**	**3.2**
Growth %	10.4	65.2	5.6	23.2	9.1	9.4	11.0	10.4
Net Realization (INR/t)	**1,20,524**	**1,95,931**	**2,02,318**	**1,77,331**	**1,65,665**	**1,70,811**	**1,76,632**	**1,79,978**
Growth %	(14.8)	62.6	3.3	(12.4)	(6.6)	3.1	3.4	1.9
EBITDA (INR/t)	**14,083**	**30,471**	**20,325**	**21,633**	**19,666**	**21,552**	**22,016**	**22,300**
Growth %	13.2	116.4	(33.3)	6.4	(9.1)	9.6	2.2	1.3

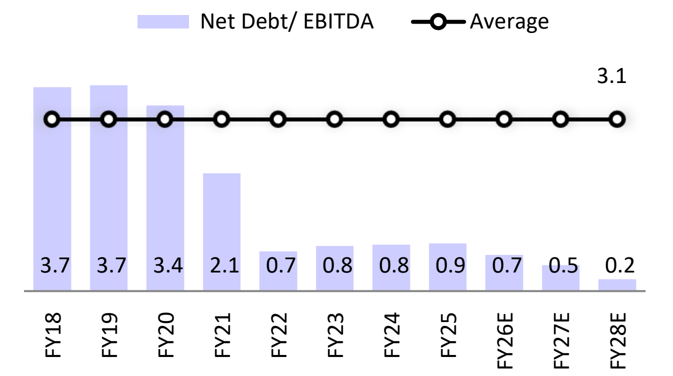
Source: Bloomberg, Company, MOFSL

Exhibit 16: Capex intensity to remain steady over FY26-28…



Source: Company, MOFSL

Exhibit 17: …led to a lower net debt/EBITDA



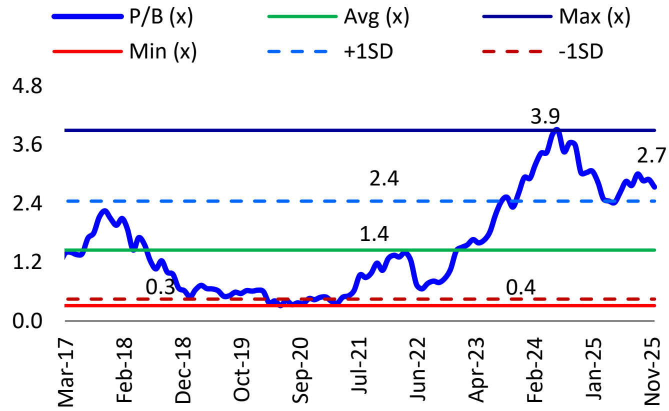
Source: Company, MOFSL

Exhibit 18: Valuation

Year	UoM	Sep'27E
Target EV/EBITDA	**x**	**11.0**
Target EV	(INR b)	738.8
Net debt	(INR b)	22.4
Equity value	(INR b)	716.3
No. of Shares	(Nos. b)	0.82
TP		**870**
Upside %		**16%**

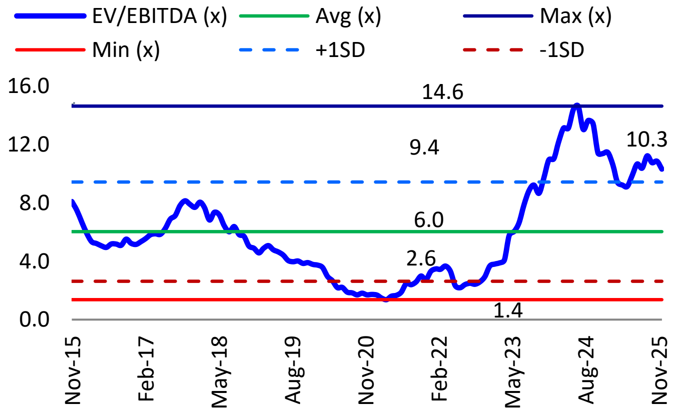
Source: Company, MOFSL

Exhibit 19: : P/B ratio trades near +1SD



Source: MOFSL

Exhibit 20: Even EV/EBITDA slipped close to +1SD



Source: MOFSL

Financials and valuations

Income statement (Consol)

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net sales	**121.9**	**327.3**	**357.0**	**385.6**	**393.1**	**443.3**	**508.7**	**572.3**
Change (%)	(5.9)	168.6	9.1	8.0	1.9	12.8	14.8	12.5
Total Expenses	107.6	276.4	321.1	338.6	346.5	387.3	445.3	501.4
EBITDA	**14.2**	**50.9**	**35.9**	**47.0**	**46.7**	**55.9**	**63.4**	**70.9**
% of Net Sales	11.7	15.6	10.0	12.2	11.9	12.6	12.5	12.4
Depn. & Amortization	4.0	7.6	7.2	8.8	9.6	10.4	10.7	11.5
EBIT	**10.2**	**43.3**	**28.6**	**38.3**	**37.1**	**45.6**	**52.8**	**59.4**
Net Interest	4.8	3.4	3.2	5.5	6.1	6.0	7.4	8.2
Other income	0.4	0.7	1.3	1.7	2.9	3.1	3.6	4.0
PBT before EO	**5.8**	**40.6**	**26.6**	**34.4**	**33.9**	**42.7**	**48.9**	**55.2**
EO income	(1.0)	-	-	(1.0)	0.1	(0.2)	-	-
PBT after EO	**6.8**	**40.6**	**26.6**	**35.4**	**33.8**	**42.9**	**48.9**	**55.2**
Tax	2.7	10.5	6.9	9.0	8.4	11.0	12.2	13.8
Rate (%)	39.5	25.9	25.9	25.4	24.8	25.6	25.0	25.0
PAT before MI and Asso.	**4.1**	**30.1**	**19.7**	**26.4**	**25.4**	**31.9**	**36.7**	**41.4**
Minority interests	0.0	0.3	(0.3)	(0.2)	(0.1)	0.0	-	-
Share of Associates	0.1	1.0	1.1	0.5	(0.4)	(0.3)	-	-
Reported PAT after MI and Asso.	**4.2**	**30.8**	**21.1**	**27.1**	**25.1**	**31.6**	**36.7**	**41.4**
Adj. PAT (after MI & Asso)	**3.2**	**30.8**	**21.1**	**26.1**	**25.1**	**31.4**	**36.7**	**41.4**
Change (%)	373.6	871.8	(31.3)	23.6	(3.9)	25.0	16.8	12.9

Balance sheet (Consol)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	1.0	1.1	1.6	1.6	1.6	1.6	1.6	1.6
Reserves	31.1	97.2	117.7	141.9	165.2	193.9	227.3	265.5
Net Worth	**32.1**	**98.2**	**119.3**	**143.6**	**166.9**	**195.6**	**229.0**	**267.1**
Minority Interest	0.1	0.7	0.4	0.2	0.2	0.2	0.2	0.2
Total Loans	31.5	39.2	38.7	59.5	63.0	67.9	77.8	86.1
Deferred Tax Liability	4.6	8.9	8.6	12.4	13.0	13.0	13.0	13.0
Capital Employed	**71.1**	**150.8**	**171.3**	**219.9**	**247.1**	**280.7**	**324.0**	**370.4**
Gross Block	81.2	112.5	131.9	164.6	182.1	200.1	224.1	248.1
Less: Accum. Deprn.	22.6	32.4	38.6	42.0	49.8	60.2	70.8	82.3
Net Fixed Assets	**58.6**	**80.1**	**93.3**	**122.6**	**132.3**	**139.9**	**153.3**	**165.7**
Capital WIP	0.6	11.7	14.1	21.1	33.6	35.6	31.6	27.6
Investments	7.0	14.2	12.7	16.7	27.8	27.8	27.8	27.8
Curr. Assets	**41.2**	**119.9**	**151.1**	**147.8**	**168.0**	**183.3**	**223.0**	**269.7**
Inventory	27.9	67.9	83.9	79.3	97.0	100.5	114.1	129.7
Account Receivables	9.3	38.6	36.6	28.4	31.1	34.3	43.7	51.8
Cash and Bank Balance	1.2	2.6	9.3	19.9	22.7	31.3	48.0	71.0
Others	2.8	10.9	21.3	20.3	17.2	17.2	17.2	17.2
Curr. Liability & Prov.	**36.2**	**75.0**	**99.8**	**88.2**	**114.5**	**105.9**	**111.5**	**120.4**
Account Payables	26.3	57.4	78.2	69.3	91.4	82.7	88.4	97.3
Provisions & Others	9.9	17.6	21.6	19.0	23.1	23.1	23.1	23.1
Net Current Assets	**5.0**	**44.9**	**51.3**	**59.6**	**53.5**	**77.5**	**111.5**	**149.3**
Appl. of Funds	**71.1**	**150.8**	**171.3**	**219.9**	**247.1**	**280.7**	**324.0**	**370.4**

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	**6.5**	**58.6**	**25.7**	**31.7**	**30.5**	**38.1**	**44.5**	**50.3**
Cash EPS	16.9	73.6	34.1	43.4	42.0	51.0	57.5	64.3
BV/Share	65.8	186.9	144.9	174.4	202.6	237.5	278.0	324.3
DPS	-	-	2.5	3.0	3.0	3.5	4.0	4.0
Pay-out (%)	-	-	9.7	9.1	9.9	9.1	9.0	8.0
Valuation (x)								
P/E	6.2	2.7	7.0	21.7	18.5	19.5	16.8	14.9
Cash P/E	3.2	2.2	5.2	16.4	13.3	14.7	13.0	11.7
P/BV	0.8	0.9	1.2	4.1	2.8	3.2	2.7	2.3
EV/Sales	0.5	0.4	0.5	1.6	1.3	1.5	1.3	1.1
EV/EBITDA	4.0	2.4	4.9	13.3	10.7	11.7	10.2	8.9
Dividend Yield (%)	-	-	1.4	0.4	0.5	0.5	0.5	0.5
Return Ratios (%)								
EBITDA Margins (%)	11.7	15.6	10.0	12.2	11.9	12.6	12.5	12.4
Net Profit Margins (%)	2.6	9.4	5.9	6.8	6.4	7.1	7.2	7.2
RoE	9.9	31.3	17.7	18.2	15.1	16.1	16.0	15.5
RoCE (pre-tax)	9.5	22.4	13.4	13.9	12.3	13.0	13.2	13.0
RoIC (pre-tax)	11.9	21.3	13.6	13.7	12.4	12.9	12.3	11.6
Working Capital Ratios								
Fixed Asset Turnover (x)	2.1	3.6	3.3	2.7	2.4	2.5	2.8	3.0
Asset Turnover (x)	1.1	1.4	1.3	1.3	1.1	1.1	1.2	1.2
Debtor (Days)	24	39	40	32	28	32	35	35
Inventory (Days)	89	91	93	90	94	100	100	100
Creditors(Days)	90	55	77	79	85	80	75	75
Working Capital (Days)	23	75	56	43	37	52	60	60
Leverage Ratio (x)								
Current Ratio	1.1	1.6	1.5	1.7	1.5	1.7	2.0	2.2
Interest Cover Ratio	2.1	12.6	8.8	6.9	6.1	7.6	7.1	7.3
Debt/Equity	0.9	0.4	0.2	0.3	0.2	0.2	0.1	0.1

Cash flow (Consol)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EBITDA	14.2	50.9	35.9	47.0	46.7	55.9	63.4	70.9
(Inc)/Dec in Wkg. Cap.	(1.8)	(32.3)	2.0	7.5	6.6	(15.4)	(17.3)	(14.9)
Tax Paid	0.1	(8.6)	(7.5)	(7.4)	(6.2)	(11.0)	(12.2)	(13.8)
Others	0.5	0.4	0.6	1.0	0.1	(0.1)	-	-
CF from Op. Activity	**13.1**	**10.4**	**31.0**	**48.2**	**47.2**	**29.4**	**33.9**	**42.2**
(Inc)/Dec in FA + CWIP	(1.6)	(9.7)	(16.5)	(29.4)	(24.7)	(20.0)	(20.0)	(20.0)
(Pur)/sale of Invest.	(0.1)	(0.3)	(8.7)	(2.4)	(6.7)	-	-	-
Acquisition in subs.	-	-	-	-	-	-	-	-
Int. & Dividend Income	0.2	0.2	0.3	(1.6)	(3.0)	3.1	3.6	4.0
Others	(0.0)	-	-	-	-	-	-	-
CF from Inv. Activity	**(1.5)**	**(9.9)**	**(24.8)**	**(33.4)**	**(34.4)**	**(16.9)**	**(16.4)**	**(16.0)**
Equity raised/(repaid)	0.5	1.1	-	-	0.0	-	-	-
Debt raised/(repaid)	(8.3)	3.3	(0.8)	0.1	(10.2)	4.9	10.0	8.2
Dividend (incl. tax)	-	-	-	(2.9)	(2.4)	(6.0)	(7.4)	(8.2)
Interest paid	(3.4)	(3.3)	(3.0)	(5.3)	(5.9)	(2.9)	(3.3)	(3.3)
Other financing	(0.0)	(0.1)	(0.1)	(0.2)	(0.3)	-	-	-
CF from Fin. Activity	**(11.2)**	**1.0**	**(3.9)**	**(8.3)**	**(18.8)**	**(4.0)**	**(0.7)**	**(3.3)**
(Inc)/Dec in Cash	**0.4**	**1.5**	**2.3**	**6.5**	**(6.0)**	**8.6**	**16.7**	**23.0**
Add: opening Balance	0.4	0.9	2.4	4.7	12.3	6.3	14.9	31.7
Regrouping / transaction Adj.	0.0	-	0.0	1.1	0.1	-	-	-
Closing cash balance	**0.8**	**2.4**	**4.7**	**12.3**	**6.3**	**14.9**	**31.7**	**54.6**
Bank Balance	0.4	0.2	4.6	7.6	16.4	16.4	16.4	16.4
Closing Balance (incl. bank balance)	**1.2**	**2.6**	**9.3**	**19.9**	**22.7**	**31.3**	**48.0**	**71.0**

N O T E S

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NEUTRAL	> - 10 % to 15%
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