

# Jindal Stainless

**Superior market position reinforced  
through strategic expansions**

**Market dominance  
along with a strong  
demand outlook**

**“Converter” model  
to be returns  
accretive**

**ART, ABC and new age  
applications to provide  
long growth runway**

**Initiate BUY with TP of  
INR910 implying ~15%  
upside**

## TABLE OF CONTENTS

Contents	Page No.
A) Company Overview	4
B) Key Investment Highlights	5
a) Superior market position along with a strong demand outlook	5
b) Competitive edge through “Converter” model and digital transformation	7
c) Capex aimed to provide multi-year growth runway	8
d) ART, ABC and new age applications to be a catalyst for future SS demand	9
C) Valuation and Financials	11
D) Sectoral tailwinds and capex to drive earnings trajectory	12
E) Key Risks	14
F) Annexures	15
a) Company Profile	15
b) Industry Overview	19
G) Key Management Personnel	21
H) 1QFY25 Result update	22
I) Financial Tables	23



## Jindal Stainless

### Superior market position reinforced through strategic expansions

Jindal Stainless Limited (JSL) is India's largest stainless steel producer, commanding a majority of the market share and ranking among the top global players. The company caters to a wide range of industries, including automotive, transportation, architecture, consumer durables, and process industries. Its diverse product portfolio includes stainless steel slabs, blooms, coils, wire rods, and specialty products such as precision strips and razor blade steel, making JSL a key player in both domestic and global markets. JSL operates 16 advanced manufacturing facilities across India, Spain, and Indonesia, with flagship plants in Hisar (0.8 MTPA) and Jajpur (2.2 MTPA) making a total capacity of 3.0 MTPA. The company has undertaken a JV in Indonesia to increase its capacity to 4.2 MTPA by end of FY26. JSL operates as a value-added converter rather than a commodity player in the stainless steel industry. JSL has also pursued various strategic acquisitions like Chromeni Steels, RSSL, Rabirun as well as upgrading its Jajpur plant to diversify its product offerings and increase the proportion of downstream products.

JSL recently announced a three-pronged strategy for capacity expansion through a capex of INR55 bn. JSL is one of the least levered compared to its steel counterparts with Net-Debt/EBITDA of less than 1. JSL's Net debt is expected to increase from ~INR36 bn in FY24 to ~INR56 bn in FY25. We anticipate a Revenue/ EBITDA/ PAT CAGR of 16%/ 25%/ 33% over FY24-26E given capacity expansion and better product mix. We bake in capex of INR55 bn and INR30 bn for FY25/26E. Our target price of INR910/sh is based on 10x EV/EBITDA FY26E, implying an upside of 15%. We initiate coverage with a BUY rating.

**Market dominance along with a strong demand outlook:** Jindal Stainless is the largest stainless steel producer in India with a Steel Melting Shop (SMS) capacity of 3 MTPA with expansion plans in line, taking total eventual SMS capacity to 4.2 MTPA. It ranks among the top ten global producers, reflecting its dominant market position. JSL has acquired Chromeni Steels Private Limited (CSPL), and formed 2 JVs in Indonesia, one for a Nickel Pig Iron facility and other for setting up a 1.2 MTPA SMS plant with one of the largest global stainless steel player. Jindal Stainless announced a capex of INR 55 bn aimed towards expansion of its capacity, as well as enhancing its downstream capabilities in a three pronged strategy a) JV with Tsingshan in Indonesia to set up a 1.2 MTPA SMS capacity (JSL to invest ~INR7 bn) with a "first right of refusal" for JSL b) acquisition of 100% stake of Chromeni Steels Private Limited (CSPL) with an outlay of ~INR16bn to expand cold-rolled capacity c) investments of ~INR19 bn have been allocated towards downstream capacity expansion at the company's Jajpur plant, expanding its CRAP and HRAP capacities.

**"Converter" model to be return accretive; least levered Balance Sheet:** JSL operates as a value-added converter rather than a commodity player in the stainless steel industry. The company's ability to quickly pass on the price change to customers mitigates the impact of fluctuating input costs, leading to more predictable margins. JSL is one of the least levered amongst steel companies with Net-Debt/EBITDA lower than 1. JSL's converter model generally exhibits lower margin volatility compared to its steel-focused counterparts.

**ART, ABC and new age applications to provide long growth runway:** Stainless Steel has found acceptability in various new age segments such as ABC (Architecture, Building and Construction) and ART (Automobile Railways and Transport). The traditionally higher demand share of consumer durables has fallen from ~80% in 1980 to ~40% in 2023. Government's commitment towards upgrading the Indian railways, seen by their record capex announcement of INR 2.62 tn would be directly adding to JSL's growth. These applications provide higher returns and the product mix enrichment can help JSL to further expand its market share.

Recommendation and Price Target		Financial Summary					
		(INR mn)					
		Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E
Current Reco	BUY	Net Sales	3,27,327	3,56,970	3,85,625	4,42,158	5,23,329
Current Price Target (12M)	910	Sales Growth (%)	168.6	9.1	8.0	14.7	18.4
Upside/Downside)	15.2%	EBITDA	50,905	35,861	47,043	54,819	73,546
<b>Key Data – JDSL IN</b>		EBITDA Margin (%)	15.6	10.0	12.2	12.4	14.1
Current Market Price	INR790	Adjusted Net Profit	31,400	20,532	25,746	32,223	45,594
Market cap (bn)	INR650.6/US\$7.8	Diluted EPS (INR)	59.8	24.9	31.3	39.1	55.4
Free Float	40%	Diluted EPS Growth (%)	817.6	-58.3	25.4	25.2	41.5
Shares in issue (mn)	823.5	ROIC (%)	32.2	14.8	16.9	15.8	18.1
Diluted share (mn)	823.5	ROE (%)	9.9	32.0	17.2	17.9	18.0
3-mon avg daily val (mn)	INR791.0/US\$9.5	P/E (x)	12.9	31.0	24.7	19.7	13.9
52-week range	848/427	P/B (x)	4.1	5.3	4.4	3.6	2.8
Sensex/Nifty	85,170/26,004	EV/EBITDA (x)	13.2	18.6	14.4	12.7	9.3
INR/US\$	83.6	Dividend Yield (%)	0.0	0.0	0.4	0.4	0.4

Source: Company data, JM Financial. Note: Valuations as of 25/Sep/2024

Price Performance			
%	1M	6M	12M
Absolute	8.1	14.0	78.3
Relative*	3.7	-3.0	38.1

\*To the BSE Sensex

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Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

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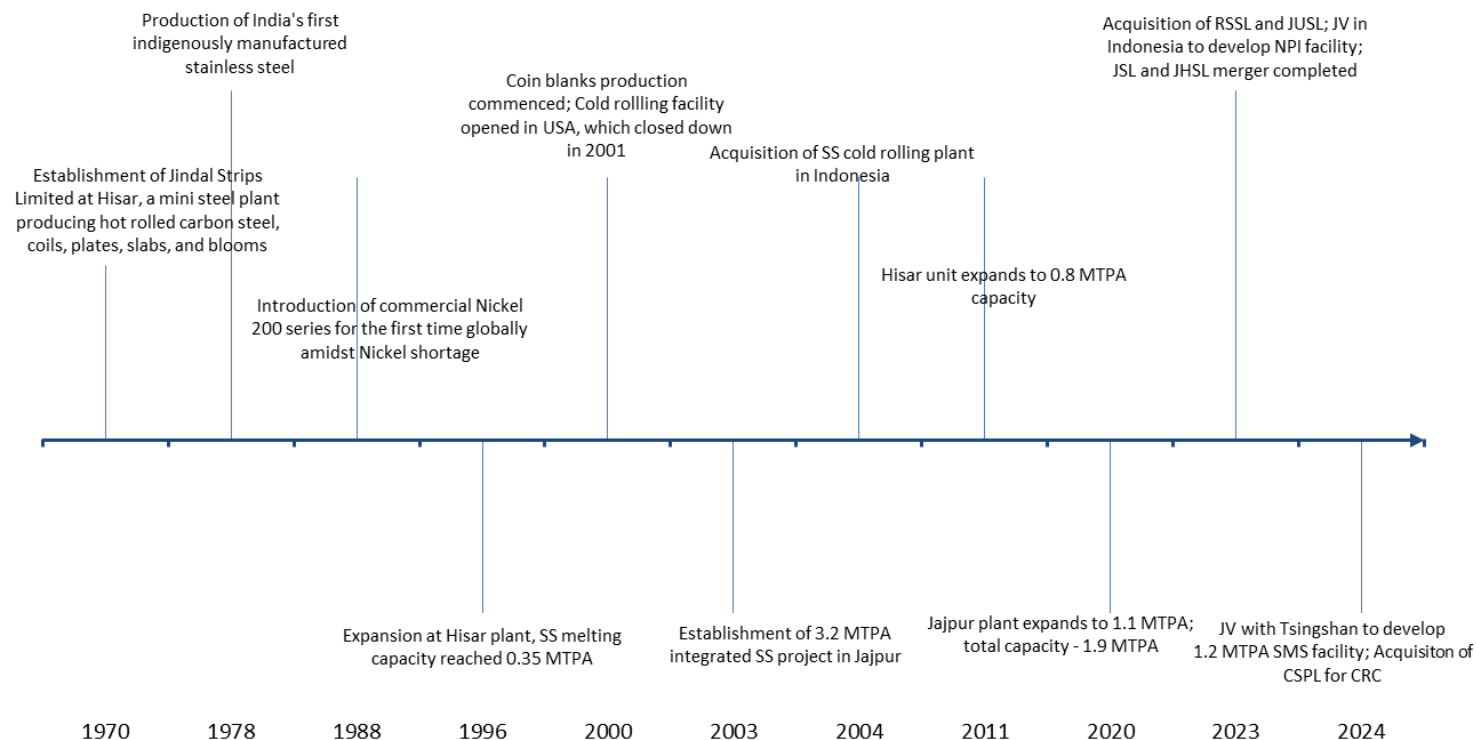
(We acknowledge the support services of **Rajvi Panchmatia** (rajvi.panchmatia@jmfl.com) in preparation of this report)

## A) Company Overview – Jindal Stainless

- Market leader with a track record of innovation:** Jindal Stainless Limited (JSL) is India’s largest stainless steel producer, commanding a majority of the domestic market and ranking among the top global players. With a presence in over 50 countries and five decades of industry expertise, JSL combines modern technology with a focus on sustainability and innovation. The company caters to a wide range of industries, including automotive, transportation, architecture, consumer durables, and process industries. Its diverse product portfolio includes stainless steel slabs, blooms, coils, wire rods, and specialty products such as precision strips and razor blade steel, making JSL a key player in both domestic and global markets.
- “Converter” rather than a commodity player:** JSL operates as a value-added converter rather than a commodity player in the stainless steel industry. This model involves purchasing ferrous and nickel-bearing steel scraps, chrome, and nickel, and subsequently manufacturing stainless steel at its facilities. Additionally, JSL has adopted the Theory of Constraints (TOC), along with transitioning from a Made to Order (MTO) model to a Made to Anticipation (MTA) model based on data analytics, resulting in a lead time reduction of 33%+.
- Capacity expansion and diversified product portfolio to drive earnings trajectory:** JSL operates 16 advanced manufacturing facilities across India, Spain, and Indonesia, with flagship plants in Hisar (0.8 MTPA) and Jajpur (2.2 MTPA) making a total capacity of 3.0 MTPA. The company has undertaken a JV in Indonesia to increase its capacity to 4.2 MTPA in FY27. It is also pursuing various strategic acquisitions like Chromeni Steels, RSSL, Rabirun as well as upgrading its Jajpur plant to diversify its product offerings and increase the proportion of downstream products. It also entered into a JV to develop an NPI facility in Indonesia to secure supply of Nickel, a key raw material that contributes majorly to its costs.

Exhibit 1. Jindal Stainless journey over the years (key events)

### Key Milestones



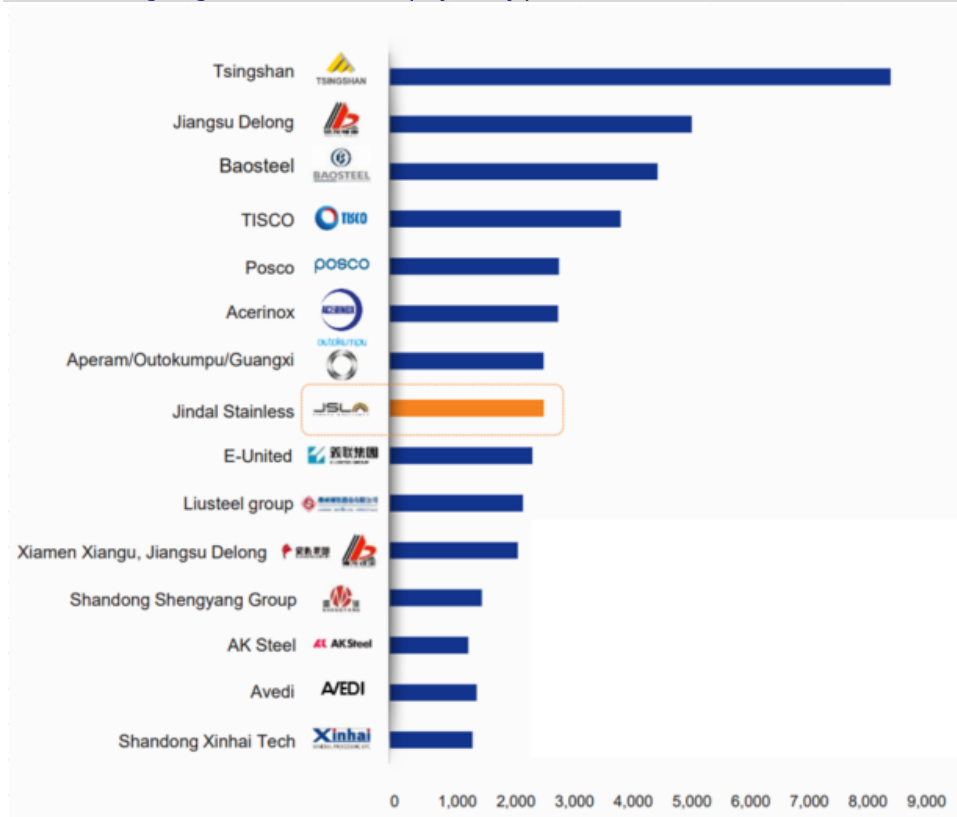
Source: Company, JM Financial

## B) Key Investment Highlights

### a) Superior market position along with a strong demand outlook

- Market dominance reinforced through strategic expansions:** Jindal Stainless is the largest stainless steel producer in India having Steel Melting Shop (SMS) capacity of 3 MTPA with expansion plans in line, taking total SMS capacity to 4.2 MTPA. It ranks among the top five global producers (ex-China), reflecting its dominant market position. It exports to ~50+ countries, and is focusing on newer markets such as Japan, South Korea and MENA region. JSL's leadership in the ART and ABC sectors, coupled with its strategic expansions has strengthened its position both domestically and internationally. JSL has acquired Chromeni Steels Private Limited (CSPL), and formed 2 JVs in Indonesia, one for a Nickel Pig Iron facility and other for setting up a 1.2 MTPA SMS plant with one of the largest global stainless steel player. This helps the company to cater to a diverse market, with its portfolio consisting of 120+ grades of stainless steel and a strong distribution network with extensive service centres all over the world.

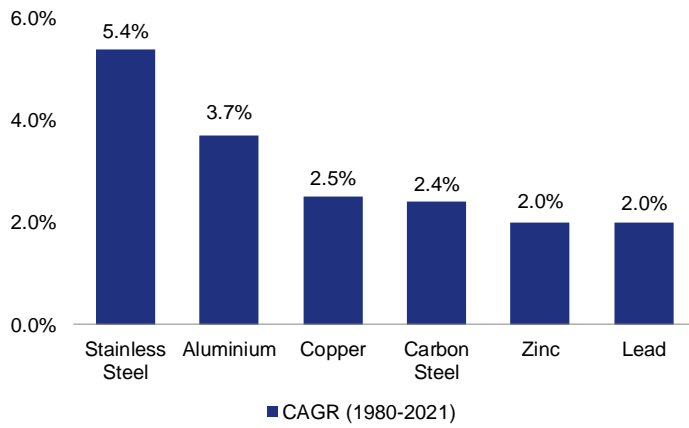
Exhibit 2. Largest global stainless steel players (by production)



Source: Company, JM Financial

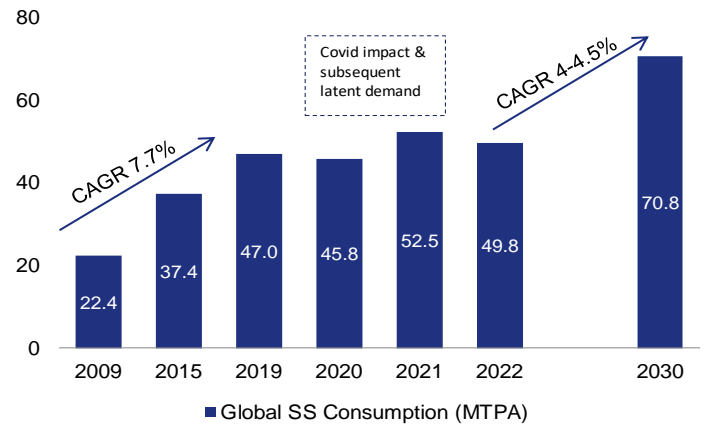
- India still underutilized in terms of stainless steel usage:** Globally, the stainless steel has been the fastest growing metal in the last 40 years, growing at a CAGR of 5.4% and is witnessing steady expansion, with a projected CAGR of 4-4.5% over 2022-2030. However, India, despite being the second-largest producer, lags significantly in per capita consumption. India's stainless steel consumption stands at 2.5 kg per capita, compared to the global average of 6 kg and China's 20.1 kg. This consumption gap highlights significant growth potential given India's focus on infrastructure projects. By 2030, India's stainless steel demand is expected to nearly double from 3.6mn tonnes in FY22 to 6.5mn tonnes. India's underutilization of stainless steel compared to global consumption provides significant growth potential for Jindal Stainless, which is strategically positioned to capitalize on rising domestic demand.

**Exhibit 3. Stainless steel – fastest growing metal globally**



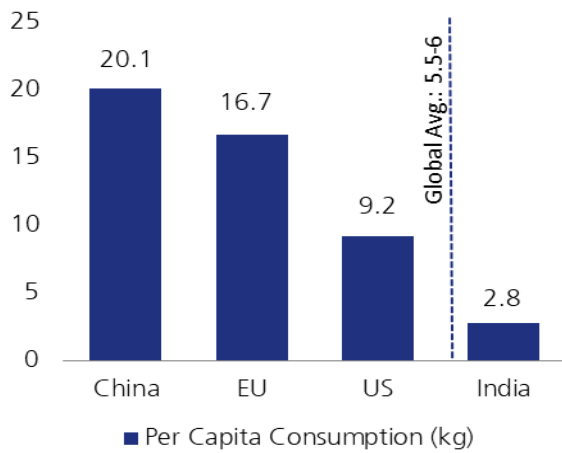
Source: Company, JM Financial

**Exhibit 4. Global SS consumption to grow rapidly**



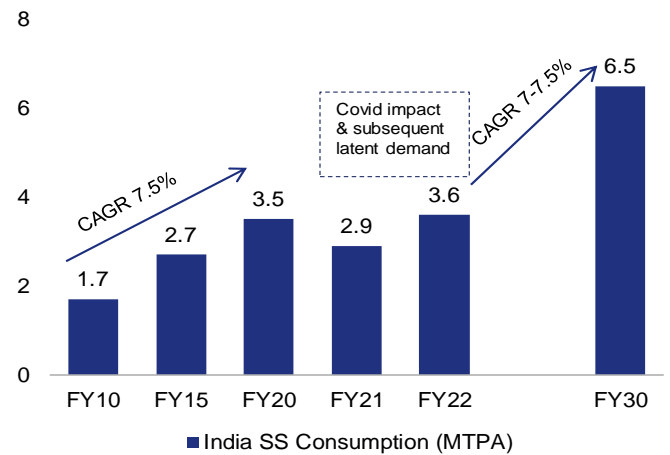
Source: Company, JM Financial

**Exhibit 5. India low on per capita consumption of SS**



Source: Company, JM Financial

**Exhibit 6. SS consumption in India to double by 2030**

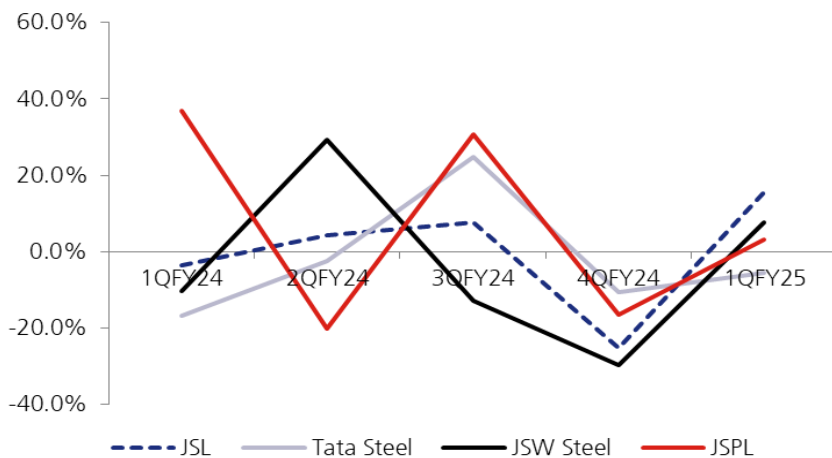


Source: Company, JM Financial

b) Competitive edge through “Converter” model and digital transformation

- **“Converter” rather than a commodity player; low earnings volatility:** JSL operates as a value-added converter rather than a commodity player in the stainless steel industry. This model involves purchasing ferrous and nickel-bearing steel scraps, chrome, and nickel, and subsequently manufacturing stainless steel at its facilities. The relative stability of JSL's earnings in a potentially commoditized market is attributed to the quality of its sales and contractual arrangements. The company's ability to quickly pass on the price change to customers (weekly or monthly) mitigate the impact of fluctuating input costs, leading to more predictable EBITDA/t. JSL's converter model generally exhibits lower volatility compared to its steel-focused counterparts.

Exhibit 7. Change in EBITDA/t (%) compared to major steel players



Source: Company, JM Financial

- **Digital Transformation to improve working capital management:** To enhance working capital management and address the complexities of the stainless steel supply chain, JSL has implemented advanced digital solutions, including production planning, detailed scheduling, and manufacturing systems. Additionally, JSL has adopted the Theory of Constraints (TOC) model and transitioned from a Made to Order (MTO) model to a Made to Anticipation (MTA) model. The company has shifted more than 70% of its operations to MTA model resulting in a lead time reduction of 33%+. JSL has also benefited from effective inventory management practices. The implementation of SAP-based stock replenishment systems, aligned with the MTA model, has transformed the company's manufacturing approach from a push-based to a pull-based sales and operations model. This has resulted in reduced inventory levels and improved working capital efficiency.

Exhibit 8. Technology being utilised at each level to improve operations

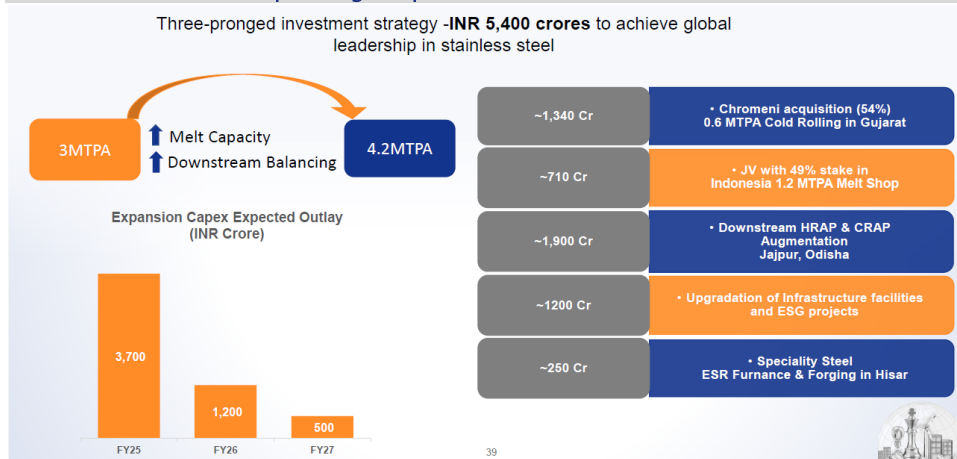


Source: Company, JM Financial

### c) Capex aimed to provide multi-year growth runway

- **JSL's Three-Pronged Investment Strategy to cement global leadership:** Jindal Stainless announced a capex of INR 55 bn aimed towards expansion of its capacity, as well as enhancing its downstream capabilities in a three pronged strategy in May'24:
  - i. **Indonesian JV provides low cost alternative for capacity expansion:** The joint venture in Indonesia plays a pivotal role in expanding JSL's stainless steel melting capacity by 40% to reach 4.2 MTPA. The 1.2 MTPA plant, in collaboration with one of the largest stainless steel player in the world, is being set up at a much lower investment of ~INR15 bn (JSL's share being ~INR7 bn) with a "first right of refusal" for JSL. A similar Greenfield investment would require an outlay of ~INR20-25 bn. The plant is expected to be operational by FY27.
  - ii. **Focus on increasing cold-rolled products in the mix:** JSL also decided to buy a 54% stake in Chromeni Steels Private Ltd. through the acquisition of entire equity stake of Evergreat International Investment Pte Ltd, Singapore, for an aggregate outlay of ~INR13,400 mn, comprising of takeover of debt of ~INR12,950 mn and ~INR450 mn towards equity purchase. The remaining 46% stake was bought later in 1QFY25 at INR2,780 mn, making it a wholly owned subsidiary of JSL. The acquisition of Chromeni Steels would increase company's cold rolling capacity by 0.6 MTPA, taking it from ~1.4 MTPA to ~2.1 MTPA, aiming to increase the proportion of CR products to melting capacity (3 MTPA) to an ideal 70-75% range (~50% currently). This plant has been closed since the middle of 2020 and is expected to be operational by 2HFY25.
  - iii. **Significant upgrades at existing plant to enhance downstream presence:** Investments of ~INR19 bn have been allocated towards downstream capacity expansion at the company's Jajpur plant, expanding its CRAP (Cold Rolled Annealing Pickling) and HRAP (Hot Rolled Annealing Pickling) capacities significantly. With the acquisition and the brownfield expansion in Jajpur, JSL will be able to increase downstream cold rolled facility to ~65% which is currently below 50%.

#### Exhibit 9. Growth roadmap through Capex



Source: Company, JM Financial

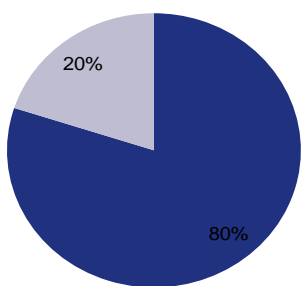
- **Downstream expansion and diversified products offering in focus:** The company also aims to ensure long-term nickel availability through a 49% stake in an Indonesia-based Nickel Pig Iron (NPI) facility, which is expected to provide them with ~28,000 MT of nickel annually, which is the highest contributor of raw material costs for JSL. Company is also focused on increasing diversification in their product offerings, through their acquisition of Rathi Super Steel Ltd. and Rabirun. Historically focused on flat products, the strategic move of acquiring Rathi expands JSL's portfolio into long products (wire rods and rebars) with a capacity of 0.16 MTPA. Rabirun enables JSL to enter into the pipe and tube segment, with a 50 KTPA capacity. JSL is trying to promote this segment through their co-branding scheme Jindal Saathi 5.0.



d) ART, ABC and new age applications to be a catalyst for future SS demand

- Growing demand from the ART sector:** The Automotive, Railway, and Transportation (ART) sector in India contributes to ~10% of the GDP. The automotive industry, with its focus on electric and hybrid vehicles, leverages stainless steel for its strength-to-weight ratio, enhancing fuel efficiency and meeting environmental standards. For instance, the partnership between Jindal Stainless and JBM Auto Ltd to produce over 500 electric buses underscores the material’s pivotal role in sustainable mobility. In railways, stainless steel has been an essential component in the new Vande Bharat trains, as well as new upcoming projects like Chenab bridge and Mumbai-Ahmedabad high speed rail corridor. Government’s commitment towards upgrading the Indian railways, seen by their record capex announcement of INR 2.62 tn would be directly adding to JSL’s growth. Government initiatives such as the Gati Shakti programme, Bharatmala, UDAN projects, which aim to modernize transport infrastructure, further propel demand for stainless steel in the sector.

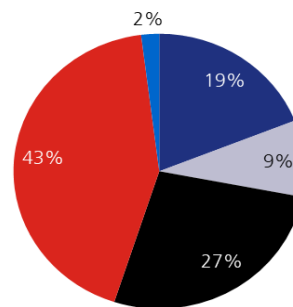
Exhibit 10. Stainless steel applications – 1998



■ Consumer Durables ■ Others

Source: Company, JM Financial

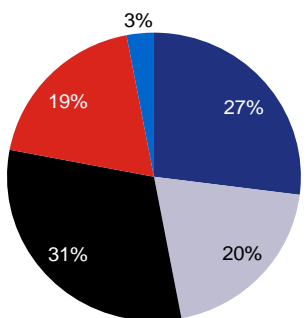
Exhibit 11. Stainless steel applications - 2023



■ ABC ■ ART ■ Process ■ Consumer Durables ■ Others

Source: Company, JM Financial

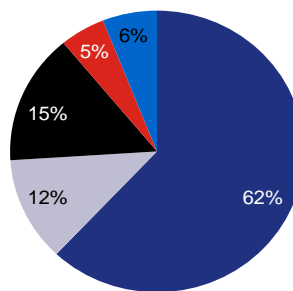
Exhibit 12. Stainless Steel consumption pattern



■ ABC ■ ART ■ Process ■ Consumer Durables ■ Others

Source: Company, JM Financial

Exhibit 13. Carbon steel consumption pattern



■ ABC ■ ART ■ Process ■ Consumer Durables ■ Others

Source: Company, JM Financial

- Stainless Steel well-suited for diverse applications in ABC sector:** The Architecture, Building, and Construction (ABC) sector is rapidly expanding as a significant user of stainless steel, thanks to its corrosion resistance, longevity, and low maintenance. Stainless steel is used in projects ranging from facades and roofing to bridges and load-bearing structures. Government-driven infrastructure investments, including the redevelopment of 508 railway stations under the Amrit Bharat scheme and the development of airports and highways, bolster the demand for stainless steel, ensuring its sustained growth in modern construction projects.

## Exhibit 14. Government initiatives to aid growth

Auto Railways and Transport	Infrastructure	Process Industry
<p>400 new Vande Bharat trains to be introduced in the next three years, alongside a 14% rise in railway capital spending. The funds will be used for new lines, track doubling, and implementing the Kavach System.</p> <p>Investment of ₹ 75,000 crores, including ₹ 15,000 crores from private sources, for 100 critical transport infrastructure projects, for last and first-mile connectivity for ports, coal, steel, fertilizer and food grains sectors.</p> <p>Railways received ₹2.40 lakh crore for capital outlay, including a project to redevelop over 50 stations into multimodal transit facilities</p> <p>100 PM GatiShakti Cargo terminals for multimodal logistics to be developed</p> <p>Replacing old polluting government and municipal vehicles will boost the manufacturing sector, particularly the auto industry, and ultimately increase stainless steel demand in the country.</p>	<p>Transforming 508 railway stations across the country under Amrit Bharat Station Scheme with an investment of ₹ 25,000 crore</p> <p>An amount of ₹ 10,000 cr is expected to make available for creating urban infrastructure in Tier 2 and Tier 3 cities</p> <p>Completion of 25,000km of national highways</p> <p>50 additional airports and associated air connectivity</p> <p>Completion of 8 million houses (under the Awas Yojna plan)</p>	<p>For achieving 280 GW of solar capacity by 2030, ₹ 19,500 crore is allocated for PLI for manufacturing units for solar modules</p> <p>Four pilot projects for coal gasification and conversion of coal into chemicals required for the industry</p> <p>Improved scientific management of dry and wet waste and modernized sewers with 100% mechanical desludging of septic tanks and sewers, transitioning from manhole to machine-hole mode.</p> <p>Implementation of the Ken Betwa Link Project to benefit 910,000 hectares of farmland, providing drinking water to 6.2 million people</p>

Source: Company, JM Financial

- Diverse applications in Process Industries:** Stainless steel's unmatched durability and resistance to extreme conditions make it indispensable in various process industries. It is thus a preferred choice in nuclear power plants, where India has been making significant progress towards the aspirational MOU target of 52,340 mn units in a year. In aerospace, its use in aircraft components like landing gear and engine parts underscores its strength-to-weight advantage, while Jindal Stainless' supply of alloy steel for India's Chandrayaan-3 lunar mission highlights its technological relevance. In the defence sector, stainless steel is crucial for constructing naval ships, submarines, and military vehicles. It is among the very few companies worldwide to receive the prestigious AS 9100D certification, a quality system for aviation, space and defense. Its use extends to green energy projects, with Jindal Stainless pioneering green hydrogen usage at its Hisar plant. The growing emphasis on sustainability and energy efficiency in process industries guarantees a robust future demand for stainless steel across diverse applications.

## Exhibit 15. Potential stainless steel applications to aid consumption

Progressive Potential Market				
Particulars	Ethanol	Hydrogen	Water	Nuclear
Consumption	per 100 klpd, 450-500 MT	5MMTA of hydrogen will use 70-80KT of SS	300-500 MT per 100 MLD treatment plant	Nuclear plant of 700-800 MW uses 7000-8000 MT SS
Why SS	Corrosion resistant, Long LCC, Non-contaminated, Embrittlement resistance, better ductility at cryogenic temp., Hygiene, good weldability. Long lasting, easy to manufacture in different shapes			
Potential	Current capacity 700 cr litre and will grow 8.5% cagr per annum/1500 cr by 2030	At least 5 mn MT per year by 2030	1.5 trillion metric cube of water by 2030 with 38,000 MLD of WTP	Current capacity 6780 mw, 20,000 mw by 2030
Applications	Fermentation tanks, Beer well, CO2 Column, Applications Analyzer column, Heavy molasses tank, Rectifier column	<b>Hydrogen Electrolysers:</b> Bi Polar Plate Hydrogen <b>Generation Equipment:</b> LP Piping, Buffer Tanks, Heat Exchanger, Driers, Cryogenic Storage	<b>Water Treatment Plant:</b> Trash rack equipment, Intake Screens, Weirs, Gates, Piping, Agitators. Treatment sections, Dryers etc	Super critical boilers, Piping. Fission Reactors, Tanks, chimneys

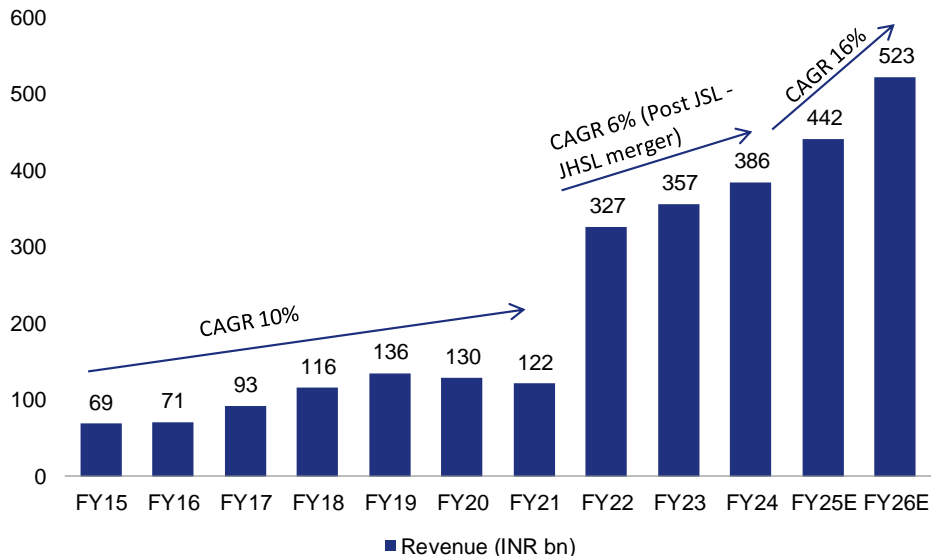
Source: Company, JM Financial

### C) Valuation and Financials

#### a) Revenue to grow at 16% CAGR over FY24-26E given growth capex

We estimate JSL’s consol. revenue to grow at 16% CAGR over FY24-26E post the capacity expansion as well as diversification to extend its downstream portfolio. We expect volumes to grow on account of better capacity utilisation in the future due to a higher proportion of cold rolled products in the mix.

**Exhibit 16. Consol. revenues to grow at 16% CAGR over FY24-26**

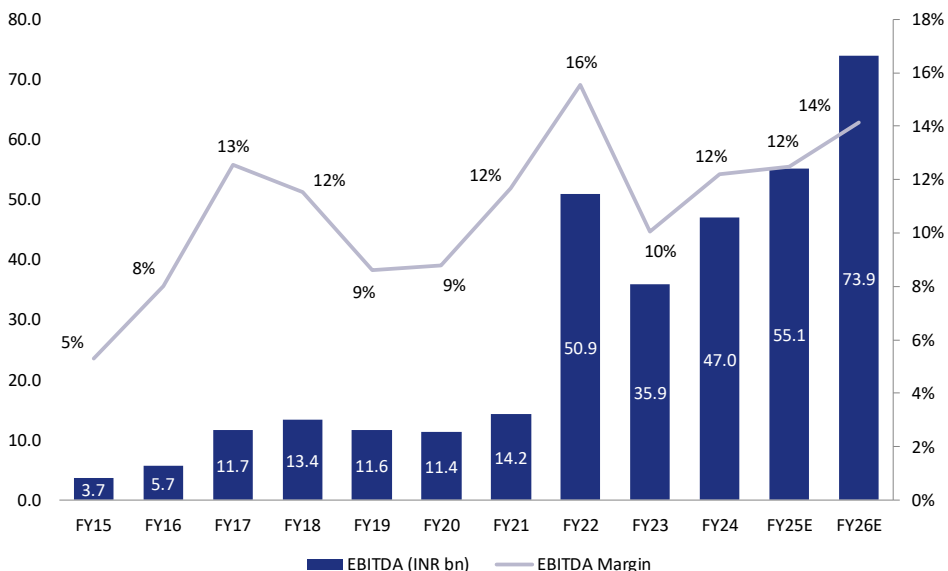


Source: JM Financial

#### b) Increasing operating leverage to aid margins

On the margin front, we anticipate EBITDA margin to remain stable in the 13.5%-14.5% range over FY24-26E aided by increased scale in operations. We expect EBITDA to grow significantly over FY24-26E at a CAGR of 25% aided by increased scale in operations. Further, increasing contribution from high margin downstream products (cold rolled steel and other value added products) and increasing the mix of the 400 series (low nickel content) for ART applications would ensure improved margins going forward.

**Exhibit 17. Consol. EBITDA to grow at 25% CAGR over FY24-26E**

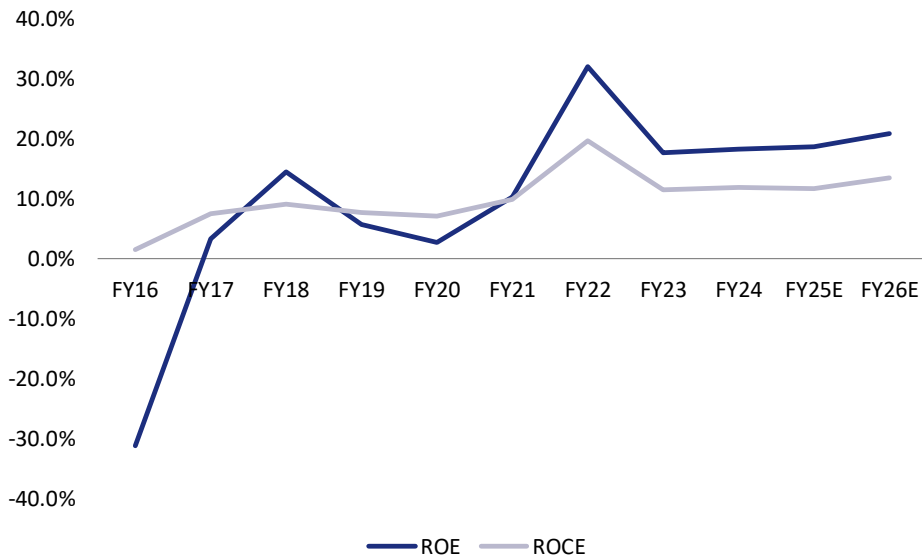


Source: JM Financial

## D) Sectoral tailwinds and capex to drive earnings trajectory

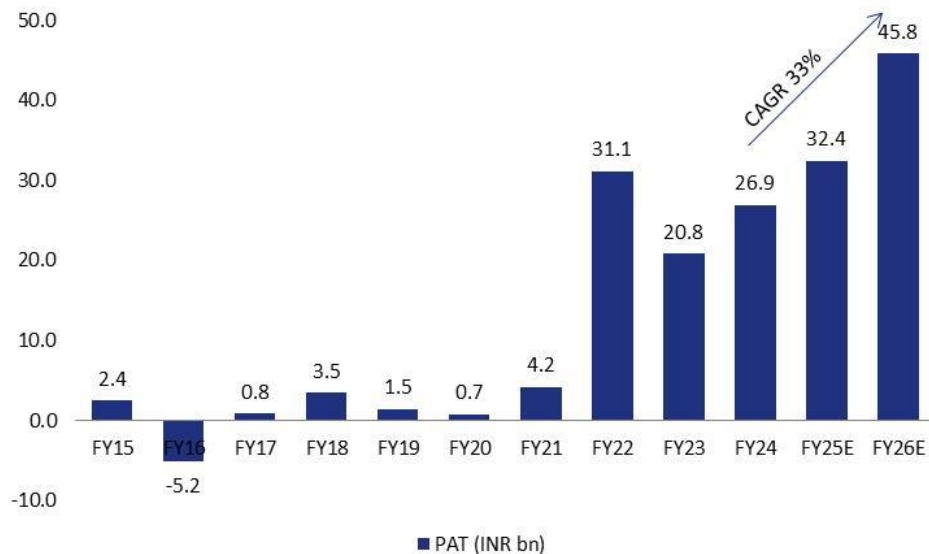
JSL post a period of low single-digit PAT margin, underwent significant mergers and acquisitions resulting in a boost to its profitability. Margins for the company are expected to improve further (PAT expected to grow at a CAGR of ~33% over FY24-26E) given favourable sectoral tailwinds and increased focus on high margin downstream products. Due to the recent capex announcement and borrowings to be undertaken to fund the capex, net debt is expected to increase from ~INR36 bn in FY24 to ~INR56 bn in FY25. We bake in capex of INR55 bn and INR15 bn for FY25/26E. Our target price of INR900/sh is based on 10x EV/EBITDA FY26E, implying an upside of 18%. We initiate coverage with a BUY rating.

Exhibit 18. Healthy cross-cycle return ratios



Source: JM Financial

Exhibit 19. PAT to grow sequentially over FY24-26E



Source: Company, JM Financial



**Exhibit 20. Valuation table**

	FY26E
<b>FY26E EBITDA (INR bn)</b>	74
Multiple (x)	10
Enterprise Value (INR bn)	735
<b>Net debt (INR bn)</b>	42
Implied Mcap (INR bn)	693
CWIP (INR bn)	54
Total Mcap (INR bn)	747
Target price INR/sh	<b>910</b>

Source: JM Financial

**Exhibit 21. Comparative Valuation**

	PE (x)			PB (x)			EV/EBITDA (x)			ROE (x)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Jindal Stainless	16.9	13.4	13.0	3.4	2.8	2.3	10.7	9.1	8.6	22.1	22.5	20.0
Tata Steel Ltd	13.0	11.3	10.4	1.9	1.7	1.5	6.9	6.4	6.3	14.1	14.3	15.2
Steel Authority Of India	15.1	13.4	9.0	0.9	0.8	0.8	6.3	5.6	6.7	5.9	6.3	7.1
JSW Steel Ltd	17.4	15.5	13.0	2.6	2.2	2.0	8.8	7.8	7.4	14.8	14.4	16.1
<b>Global Players-</b>												
Aperam SA	7.3	5.7	7.3	0.5	0.5	NA	4.3	3.8	4.3	7.7	9.8	6.9
Outokumpu	9.6	7.3	6.7	0.4	0.4	NA	3.4	3.0	3.1	-0.2	4.3	5.6
Acerinox	6.8	6.0	6.1	0.9	0.8	0.7	3.7	3.5	3.3	10.4	13.5	13.9

Source: Bloomberg, JM Financial, Note: Valuation at close of 25/09/2024

**Exhibit 22. Key Assumptions Table**

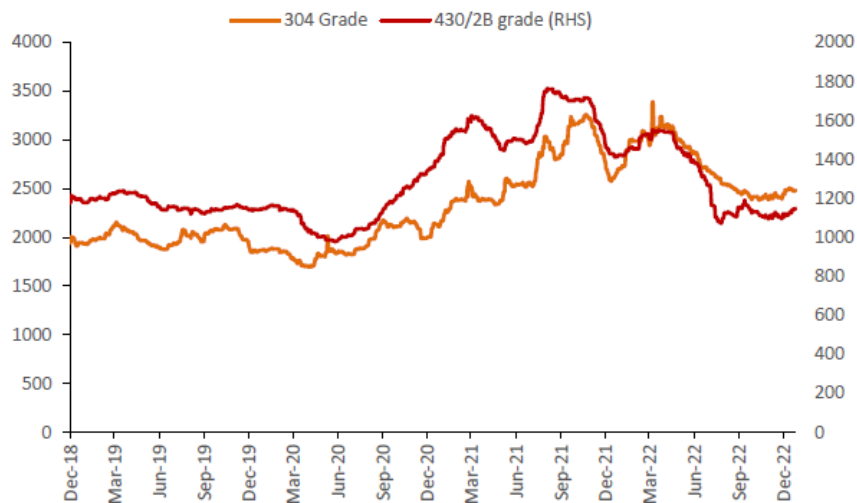
	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Nickel (INR/t)	12,317	17,965	21,037	15,838	15,170	15,580	15,580
Ferrochrome (INR/t)	73,793	108,582	107,871	111,170	110,000	110,000	110,000
Steel and others(INR/t)	45,353	43,947	47,983	45,505	46,000	46,000	46,000
USDINR	74.3	74.5	80.4	82.8	83.4	83.4	83.4
Blended Realisation (INR/t)	141,595	193,292	198,539	176,381	173,395	178,003	178,003
<b>External Sales (mt)</b>							
Sales Volume	824,825	1,670,618	1,764,405	2,174,610	2,550,000	2,940,000	3,282,000
Series 300	370,717	852,015	758,694	956,828	1,122,000	1,293,600	1,444,080
Series 200	281,363	467,773	599,898	782,860	918,000	1,058,400	1,181,520
Series 400	172,745	350,830	405,813	434,922	510,000	588,000	656,400
<b>Financials (Rs mn)</b>							
EBITDA	14,242	50,905	35,861	47,043	54,819	73,546	80,981
EBITDA/t	17,267	30,471	20,325	21,633	21,498	25,016	24,674
Net Debt	30,009	35,726	26,144	36,824	55,648	42,349	26,092

Source: JM Financial

## E) Key Risks

- Threat from imports:** India meets a significant portion of its domestic stainless steel demand from imports. JSL faces significant competition from imported stainless steel, primarily from China. In fiscal 2020, a sharp rise in imports pressured domestic players' margins and volumes. While imports are largely concentrated in the 200 series used in consumer goods like kitchenware, any substantial rise in imports could adversely affect the realisation and volumes of domestic producers, including JSL. This risk is mitigated to some extent by JSL's focus on sectors such as automotive, railways, and construction, which require 300 and 400 series stainless steel. Moreover, India does not have any prohibitive level playing field measures against the dumping, such as tariff barriers like CVD/AAD safeguard & non-tariff barriers like CBAM by EU.

**Exhibit 23. China stainless steel coil prices**



Source: Industry, JM Financial

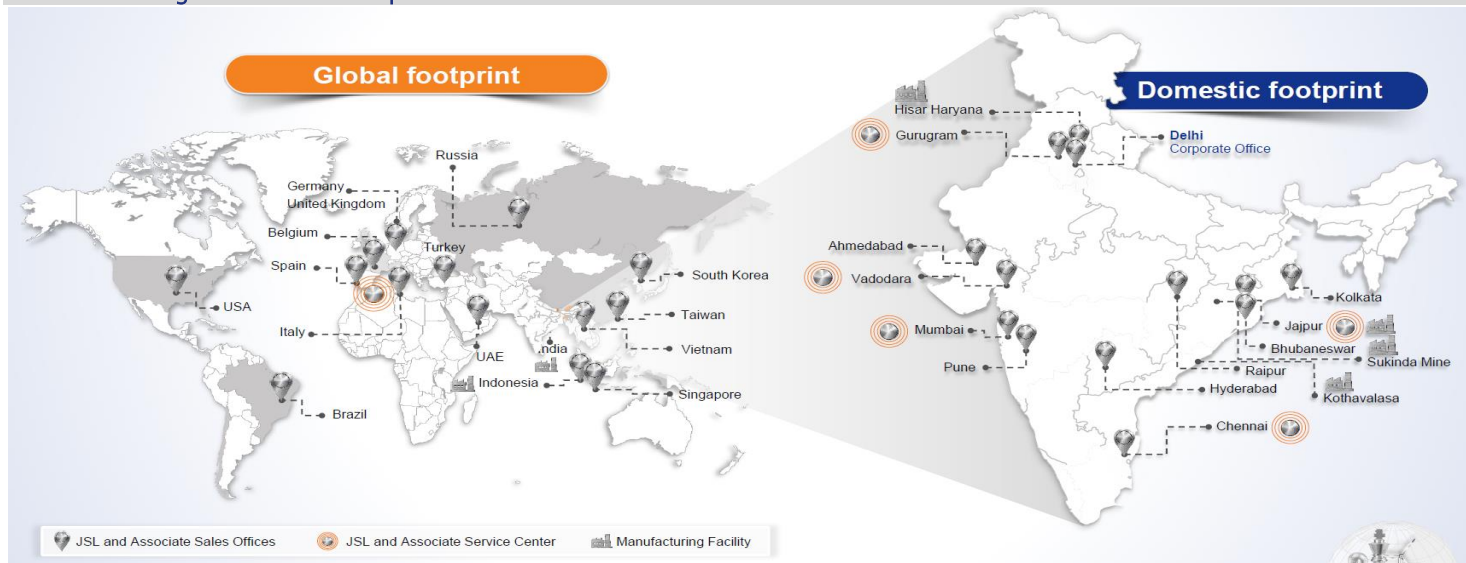
- Susceptibility to volatility in raw material prices:** JSL's operations are exposed to fluctuations in the prices of key raw materials like stainless steel scrap and nickel, which are highly volatile. Nickel prices, in particular, have been unpredictable, leading to inventory gains or losses. This volatility poses a significant risk to the company's profitability. JSL's joint venture in Indonesia to develop a Nickel Pig Iron (NPI) plant aims to mitigate this risk by securing raw material linkages and providing stability to its operating margins.
- Cyclicity in the stainless steel industry:** The stainless steel industry is cyclical, fluctuating with broader economic trends. The ability of JSL to pass on increases in input costs to its customers depends on the demand scenario. While the company has taken steps such as entering into long-term agreements with original equipment manufacturers and volume-based MoUs with distributors, the cyclicity of the sector remains a risk, especially if demand weakens during price hikes, especially for high-nickel content stainless steel products.
- Supply chain disruptions:** The stainless steel industry is vulnerable to supply chain disruptions caused by geopolitical instability, natural disasters, or global economic downturns, such as the recent Red Sea crisis. Such disruptions can cause raw material shortages, affecting production and profitability. JSL aims to mitigate this risk by procuring raw materials from diversified sources.
- Cybersecurity risks:** Increasing digitalization exposes JSL to cybersecurity threats, which could disrupt operations, compromise data security, and lead to production downtimes. JSL has implemented comprehensive security protocols, regular system updates, and employee training programs to mitigate these risks.

## F) Annexures

### a) Company profile – Jindal Stainless

- Strong brand recognition with a majority of market share:** Jindal Stainless Limited (JSL) is one of the leading manufacturers of stainless steel in India, contributing to a majority of the domestic market share as well as one of the largest players globally, exporting to more than 50 countries across the globe. The company operates 16 state-of-the-art stainless steel manufacturing and processing facilities located in India, Spain, and Indonesia, complemented by a robust global network spanning 12 countries, with its flagship plants situated in Hisar, Haryana, and Jajpur, Odisha. The Hisar plant, an integrated stainless steel complex, has a capacity of 0.8 million metric tonnes per annum (MTPA), while the Jajpur unit, strategically located in eastern India, boasts a capacity of 2.2 MTPA, also supported by a captive 264 MW power plant. Both the Hisar and Jajpur plants are undergoing constant upgrades, with full digitalisation expected by FY25, such as expanding its downstream HRAP and CRAP coil facilities. It is also undertaking significant steps such as entering into a JV in Indonesia to extend its capacity to 4.2 MTPA and acquisition of various companies for product diversification and backward integration.

Exhibit 24. JSL’s global and domestic presence



Source: Company, JM Financial

Exhibit 25. Diversified product portfolio for JSL

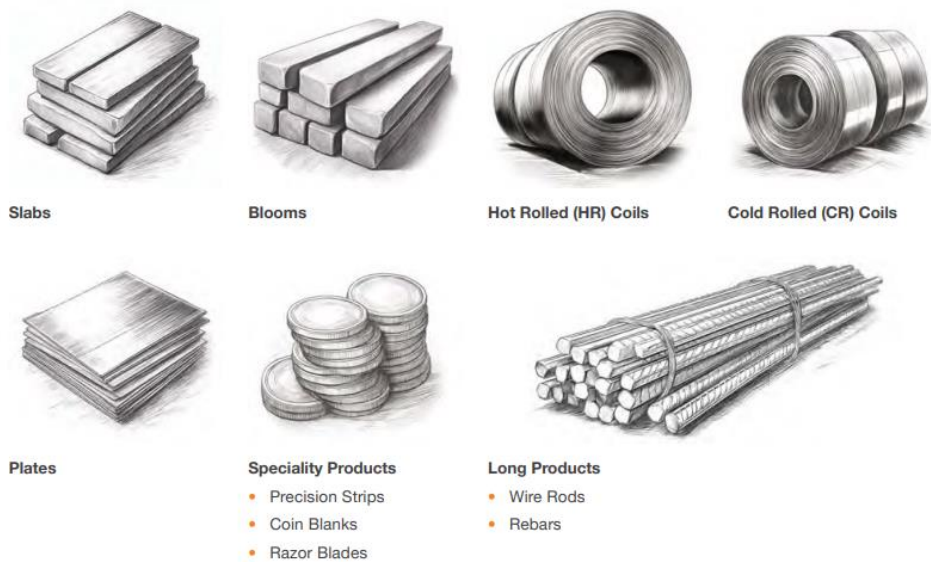


Source: Company, JM Financial

- Comprehensive solution provider for multiple sectors:** Jindal Stainless Limited, India’s leading manufacturer of stainless steel across 200, 300, 400, and duplex grades, combines cutting-edge technology, a vast product range, and five decades of expertise to deliver superior solutions. The company’s offerings include stainless steel slabs, ferro alloys, blooms, plates, hot rolled and cold rolled coils, wire rods, and speciality products like precision strips, and razor blade steel. cater to a diversified end-user base comprising consumer goods (durables and kitchenware), process industries (pharmaceuticals, oil & gas, pharma, aerospace, defense, nuclear power), equipment manufacturers, automobile-railway-transportation (ART) and architecture-building-construction (ABC) sectors. Furthermore, it can also switch manufacturing between various grades of SS within a short time based on demand and takes on specialised contracts as well.
- Key supplier for Government projects:** Notably, JSL is a trusted supplier to the Indian Government Mint and played a pivotal role in iconic projects such as India’s first underwater metro in Kolkata and the Vande Bharat trains. Its stainless steel rebars are extensively used in high-stress environments such as marine structures and chemical plants, showcasing their superior corrosion resistance. This cross-market experience and customer focus solidify its market leadership, underlining its strong market position and product reliability.

**Exhibit 26. Diversified business segments for JSL**

**Jindal Stainless Product Line:**



Source: Company, JM Financial



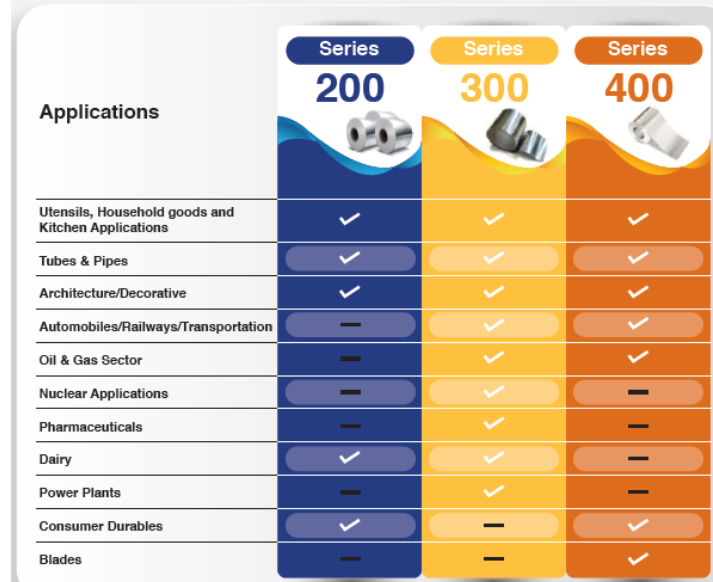
Exhibit 27. Composition of different series of stainless steel



\*Added to enhance the structure and achieve desirable properties of corrosion resistance, hardness, strength, machinability, etc.

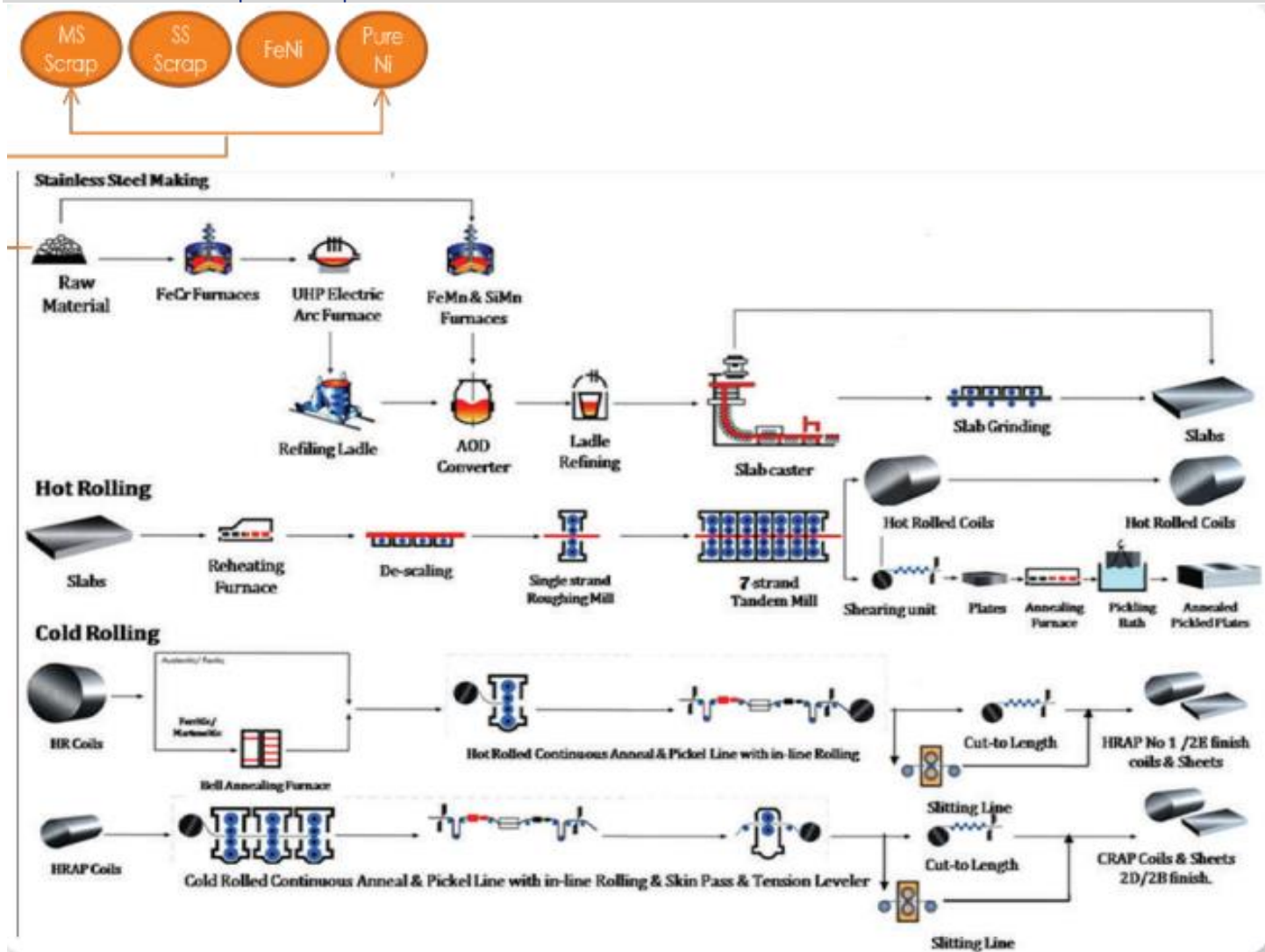
Source: Company, JM Financial

Exhibit 28. Applications of 200/300/400 series of SS



Source: Company, JM Financial

Exhibit 29. Stainless Steel production process



Source: Industry, JM Financial

- **Key acquisitions to diversify product portfolio**

a. **Jindal United Steel Limited (JUSL):** JUSL is a wholly-owned subsidiary of Jindal Stainless, acquired in July 2023. It operates a hot strip mill with a capacity of 3.2 MTPA and a cold rolling mill with a capacity of 0.3 MTPA, which enhances JSL's production capabilities. This strategic acquisition has improved operational synergies, supporting cost efficiency and higher throughput. JSL previously held 26% of the company while the board of directors passed a resolution in Jul'22 to acquire the remaining 74% equity for a consideration of INR9.6 bn. The acquisition was completed in Jul'23, making it a wholly owned subsidiary.

b. **Sulawesi Nickel Processing Industries Holding Ltd:** Sulawesi Nickel Processing Industries Holding Ltd is a key international subsidiary in Indonesia, with plans to set up a 1.2 MTPA stainless steel melt shop. This Indonesian facility will help Jindal Stainless meet global demand by leveraging competitive production costs and providing access to crucial export markets.

The collaboration was announced in May'24 and requires an investment of ~INR15 bn with JSL's share being ~7bn. The plant is expected to be operational by the FY27.

c. **Rathi Super Steel Ltd (RSSL):** Acquired in Nov'22, Rathi Super Steel Limited added a rolling capacity of 0.16 MTPA for wire rods and rebars to Jindal Stainless' portfolio. This acquisition strengthens company's product diversification strategy and reinforces its position in the long products market, catering to India's growing infrastructure needs.

RSSL, which was undergoing a liquidation process, was purchased by JSL for an amount of INR205 crs. The sale was completed with effect from Nov'22, with RSSL becoming a wholly owned subsidiary of JSL. RSSL's has been operationalized in early 2024 and full ramp-up is expected by FY26.

d. **Rabirun Vinimay Private Limited:** Rabirun Vinimay Private Limited, acquired in December 2023, helped the company to enter into the pipe and tube segment with a manufacturing capacity of 50 KTPA. Located in Kharagpur, West Bengal, this acquisition supports Jindal's expansion in downstream products, targeting the increasing demand for stainless steel in diverse applications. Rabirun, another company under liquidation process was acquired by JSL at a cost of INR96 crs., making it a wholly owned subsidiary in effect from Dec'23.

e. **Chromeni Steels Private Ltd:** Chromeni Steels Private Limited, a key downstream entity, adds 0.6 MTPA of cold-rolling capacity to Jindal Stainless. Located in Mundra, Gujarat, it bolsters JSL's product portfolio in the cold-rolled segment, supporting its market leadership in the domestic automotive and infrastructure sectors.

On May'24, JSL decided to acquire a 54% stake in Chromeni with an outlay of INR13.4 bn and bought the 46% later in Q1FY25, through an equity purchase of INR2.7 bn. The plant was closed from 2020 but is expected to be operational soon from mid-FY25.

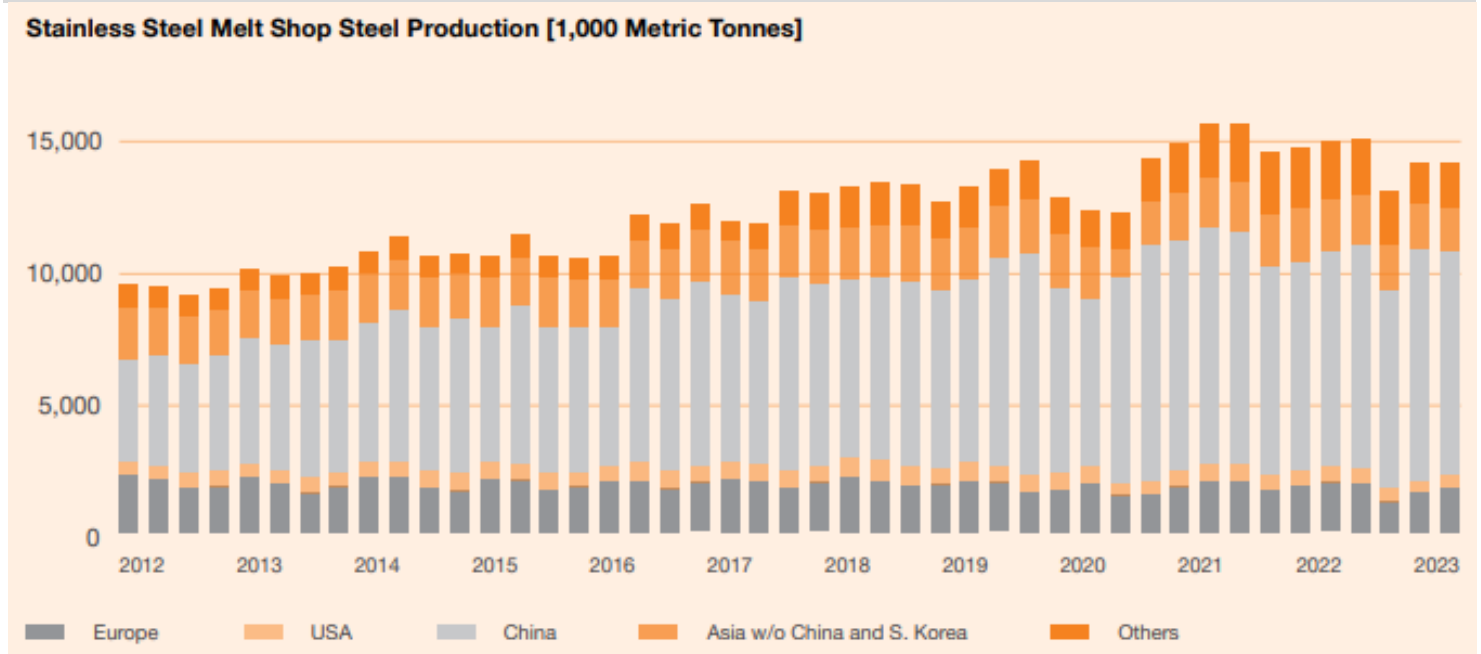
f. **JV with New Yaking Pte:** Jindal Stainless' strategic collaboration with New Yaking Pte Ltd for a 49% stake in a Nickel Pig Iron (NPI) facility in Indonesia strengthens its raw material security. This partnership ensures a stable supply of nickel, a crucial component in stainless steel production, enhancing operational efficiency and sustainability. In Mar'23, JSL entered into the collaboration agreement for the development, construction and operation of a Nickel Pig Iron (NPI) smelter facility located in an industrial park in Indonesia with the total investment of up to USD157 mn. As a part of the agreement, the company has acquired 49% equity interest of PT Cosan Metal Industry, Indonesia through acquisition of 100% stake in Sungai Lestari Investment Pte. Ltd., Singapore for a consideration of USD 64.19 mn.

b) Industry Overview

I. Global Overview and Outlook

- Global Stainless Steel demand segmentation:** Global stainless steel demand is segmented primarily by consumer goods, accounting for nearly half of the total demand. The consumer goods industry, including metal products, has been the leading end-segment for stainless steel, contributing approximately 38% of consumption. Process industries, such as mechanical engineering and electrical machinery, follow at 37%, with ABC and ART segments accounting for 12% and 13%, respectively. Stainless steel's inherent properties, including durability, workability, ease of cleaning, aesthetic appeal, and corrosion resistance, make it a preferred choice for consumer durables. Among the 200, 300, and 400 series, the 300 series holds the largest share in global consumption due to its exceptional corrosion resistance compared to other grades, making it widely used in packaging, food, and process industries.
- Global Stainless Steel demand to rise in 2024:** Global stainless steel production is projected to increase by 4.4% in 2024, reaching 60.53 MT, compared to 58.4 MT in 2023. In 2024, the demand for stainless steel in infrastructure, consumer goods, and chemical, petrochemical, and energy industries is anticipated to be exceptionally strong. However, consumption from heavy industries is anticipated to stabilise, and demand in the automotive industry is expected to decline accordingly.
- China and Indonesia to be primary drivers for Stainless Steel growth:** China and Indonesia are expected to lead the growth for global stainless steel. Production in China is projected to increase by ~5% to around 40 MT, while Indonesia's production could rise to 5.5 MT, marking a 20% growth YoY. Europe is the only region expected to experience a decline in 2024, with production decreasing by 1.8%. The combined global share of Chinese and Indonesian stainless steel production is anticipated to reach 72.63%, up from 71.6% in 2023 and significantly higher than the 53.24% recorded in 2015.

Exhibit 30.



Source: Company, JM Financial

## II. Domestic Overview and Outlook






- **India's Stainless Steel demand to show robust growth:** India's stainless steel consumption has shown robust growth over recent years, reflecting the country's increasing demand and industrial expansion. In FY22, the consumption was at 3.6 mn tonnes per annum (MTPA). By FY30, this consumption is projected to reach 6.5 MTPA. This growth trajectory represents a compound annual growth rate (CAGR) of approximately 7-7.5%, indicating a steady and significant increase in the demand for stainless steel in the coming years.
- **Stainless steel consumption rises amidst falling global production:** Stainless steel consumption in India surged by nearly 10% in FY23, reaching 4 mn tonnes, according to data from the ISSDA. The industry body reports that India's per capita stainless steel consumption rose from 2.5 kg to 2.8 kg in 2023, fueled by increased demand in sectors like railways, process industries, and architecture, building, and construction (ABC). This growth is notable as it contrasts with the global trend, where stainless steel melt shop production declined by 5.2%, falling from 58.2 mn tonnes in 2021 to 55.2 mn tonnes in 2022. ISSDA also highlights emerging growth areas, such as alternative energy, ethanol, hydrogen production, and water storage and distribution, which are expected to further drive demand for stainless steel in the coming years.
- **Focused policy framework required for Stainless Steel sector:** The stainless steel sector encounters distinct challenges and needs that are frequently overlooked due to a generalized policy framework applied to the broader steel industry. Unlike traditional steel products, stainless steel is characterized by low-volume but high-value outputs, which require specialized attention. The Indian stainless steel industry has long advocated for special recognition from the government. In this regard, a National Stainless Steel Policy, currently under development, could effectively address these issues. The existing one-size-fits-all policy fails to cater to the specific requirements of the stainless steel sector, highlighting the urgent need for a more focused policy framework.
- **ART and ABC to drive SS consumption in India:** The ART sector consistently enhances value at various stages, and there is a noticeable uptick in the use of stainless steel within this area. For instance, the integration of stainless steel in Vande Bharat coaches has bolstered their structural integrity while imparting a sleek and contemporary design.

The architecture, building, and construction (ABC) sector is emerging as a significant area for stainless steel consumption. This sector has increasingly acknowledged the benefits of stainless steel, leading to substantial growth in its use for products such as sinks, elevators, foot-over bridges (FOBs), road-over bridges (ROBs), handrails, gates, roofing, cladding, street furniture, and builders' hardware. Architects are increasingly opting for stainless steel due to its aesthetic qualities, fire resistance, and corrosion resistance, making it a vital component of modern infrastructure, supported by various government initiatives.



## G) Key Management Personnel

### Exhibit 31. Details of Key management personnel

Name	Designation	Description
 <p><b>Ratan Jindal</b></p>	Chairman and Managing Director	Mr Ratan Jindal has been with the group for decades and has been instrumental in expanding the business, such as setting up the Jajpur plant. He is known for his technical proficiency and intimate knowledge of customers and markets and focus on producing world-class stainless steel and promoting usage in myriad applications. He is a commerce graduate from the Wharton School of Management.
 <p><b>Abhyuday Jindal</b></p>	Managing Director	A Boston University graduate in Economics, Mr Jindal was instrumental in the acquisition of Ispat Industries post which he gathered consulting experience with BCG, and then joined JSL. He has also served important positions like co-chair of FICCI's steel committee, VP of Indian Chamber of Commerce. Academically, he is a graduate in Economics and Business Management from the Boston University.
 <p><b>Tarun Kumar Khulbe</b></p>	Chief Executive Officer and Wholetime Director	With 35+ years of experience, Mr Khulbe was appointed as the CEO in Jan'24. He is responsible for the overall leadership and strategic decisions in JSL. He started his career with Raymond Steel, and also held several roles in the JSL group. He is an engineering graduate and an MBA from JBIMS, Mumbai.
 <p><b>Jagmohan Sood</b></p>	Wholetime Director and COO	Mr Sood has over three decades of experience and is responsible for strategic and technology integration in operations and sourcing at JSL. He started in the operations team of SAIL and joined JSL 5 years post that. Academically, he is a gold medallist metallurgical engineer from the University of Nagpur and M.Tech from IIT Bombay.
 <p><b>Anurag Mantri</b></p>	Executive Director and Group CFO	Before joining JSL, he has served in numerous leadership roles with Schneider, Cairn, SRF, HCL Technologies and L&T and has over 3 decades of experience now. Mr Mantri has a consistent track record in enterprise value creation across several industries.

Source: Company, JM Financial

## H) 1QFY25 Result update

Exhibit 32. Consolidated – quarterly financial performance					(INR mn)
Y/E March (INR mn)	1QFY25	1QFY24	YoY %	4QFY24	QoQ %
<b>Net Sales</b>	<b>94,298</b>	<b>1,01,840</b>	<b>-7.4</b>	<b>94,540</b>	<b>-0.3</b>
Sales Volume (mn tons)	0.58	0.55	5.5	0.57	1.8
Blended Realisation (INR/t)	163,104	185,500	-12.1	165,755	-1.6
Raw Materials Cost	62,905	71,339	-11.8	65,125	-3.4
Raw Materials Cost/t	108,806	129,943		114,183	
<b>Gross profit</b>	<b>31,392</b>	<b>30,501</b>	<b>2.9</b>	<b>29,415</b>	<b>6.7</b>
Gross profit/t	54,299	55,557		51,572	
Power & Fuel Costs	6,125	4,909	24.8	6,009	1.9
Power & Fuel Costs/t.	10,594	8,941		10,535	
Staff Costs	2,040	1,539	32.6	1,872	9.0
Staff Costs/t.	3,529	2,803		3,281	
Other Costs	11,110	12,130	-8.4	11,183	-0.7
Other Costs/t.	19,217	22,094		19,607	
<b>Total expenditure</b>	<b>82,180</b>	<b>89,916</b>	<b>-8.6</b>	<b>84,188</b>	<b>-2.4</b>
<b>EBITDA</b>	<b>12,117</b>	<b>11,924</b>	<b>1.6</b>	<b>10,352</b>	<b>17.0</b>
EBITDA margin (%)	12.8	11.7		10.9	
EBITDA/ton	20,959	21,719		18,150	
Other income	507	432	17.4	550	-7.8
Depreciation	2,324	1,880		2,334	
<b>EBIT</b>	<b>10,301</b>	<b>10,476</b>	<b>-1.7</b>	<b>8,568</b>	<b>20.2</b>
Interest	1,427	996		1,534	
<b>PBT</b>	<b>8,366</b>	<b>9,481</b>		<b>7,035</b>	
Tax	2,399	2,430		2,012	
Eff. Tax rate (%)	28.7	25.6		28.6	
XO items	-	-		-17	
<b>Reported PAT</b>	<b>6,481</b>	<b>7,458</b>		<b>5,007</b>	
<b>Adjusted PAT</b>	<b>6,481</b>	<b>7,458</b>	<b>-13.1</b>	<b>5,024</b>	<b>29.0</b>
<b>EPS (INR)</b>	<b>7.9</b>	<b>9.1</b>		<b>6.1</b>	

Source: Company, JM Financial

## Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Net Sales	3,27,327	3,56,970	3,85,625	4,42,158	5,23,329	
Sales Growth	168.6%	9.1%	8.0%	14.7%	18.4%	
Other Operating Income	0	0	0	0	0	
<b>Total Revenue</b>	<b>3,27,327</b>	<b>3,56,970</b>	<b>3,85,625</b>	<b>4,42,158</b>	<b>5,23,329</b>	
Cost of Goods Sold/Op. Exp	2,13,309	2,44,721	2,67,149	3,03,085	3,55,994	
Personnel Cost	5,541	5,393	6,430	6,632	7,850	
Other Expenses	57,572	70,995	65,003	77,622	85,938	
<b>EBITDA</b>	<b>50,905</b>	<b>35,861</b>	<b>47,043</b>	<b>54,819</b>	<b>73,546</b>	
EBITDA Margin	15.6%	10.0%	12.2%	12.4%	14.1%	
EBITDA Growth	257.4%	-29.6%	31.2%	16.5%	34.2%	
Depn. & Amort.	7,591	7,238	8,788	10,138	11,827	
EBIT	43,314	28,623	38,255	44,681	61,719	
Other Income	707	1,263	1,691	4,063	4,469	
Finance Cost	3,437	3,246	5,544	6,225	5,842	
PBT before Excep. & Forex	40,584	26,640	34,402	42,519	60,346	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	40,584	26,640	34,402	42,519	60,346	
Taxes	10,497	6,901	8,990	10,630	15,087	
Extraordinary Inc./Loss(-)	0	0	992	0	0	
Assoc. Profit/Min. Int.(-)	1,313	793	334	334	334	
Reported Net Profit	31,400	20,532	26,738	32,223	45,594	
<b>Adjusted Net Profit</b>	<b>31,400</b>	<b>20,532</b>	<b>25,746</b>	<b>32,223</b>	<b>45,594</b>	
Net Margin	9.6%	5.8%	6.7%	7.3%	8.7%	
Diluted Share Cap. (mn)	525.5	823.5	823.5	823.5	823.5	
<b>Diluted EPS (INR)</b>	<b>59.8</b>	<b>24.9</b>	<b>31.3</b>	<b>39.1</b>	<b>55.4</b>	
Diluted EPS Growth	817.6%	-58.3%	25.4%	25.2%	41.5%	
Total Dividend + Tax	0	0	2,857	2,857	2,857	
Dividend Per Share (INR)	0.0	0.0	3.5	3.5	3.5	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Profit before Tax	40,584	26,640	34,402	42,519	60,346	
Depn. & Amort.	7,591	7,238	8,788	10,138	11,827	
Net Interest Exp. / Inc. (-)	0	0	0	0	0	
Inc (-) / Dec in WCap.	-16,789	2,026	7,501	-9,240	-17,176	
Others	-18,529	-2,054	-31,502	6,049	6,049	
Taxes Paid	-10,497	-6,901	-8,990	-10,630	-15,087	
<b>Operating Cash Flow</b>	<b>2,360</b>	<b>26,949</b>	<b>10,200</b>	<b>38,835</b>	<b>45,959</b>	
Capex	-7,652	-16,557	-14,749	-55,000	-30,000	
Free Cash Flow	-5,292	10,392	-4,549	-16,165	15,959	
Inc (-) / Dec in Investments	-1,698	-3,445	-2,764	0	0	
Others	538	-307	-198	197	197	
<b>Investing Cash Flow</b>	<b>-8,812</b>	<b>-20,309</b>	<b>-17,710</b>	<b>-54,803</b>	<b>-29,803</b>	
Inc / Dec (-) in Capital	77	596	0	0	0	
Dividend + Tax thereon	0	0	-2,857	-2,857	-2,857	
Inc / Dec (-) in Loans	7,775	-491	20,941	10,000	5,000	
Others	0	0	0	0	0	
<b>Financing Cash Flow</b>	<b>7,851</b>	<b>105</b>	<b>18,084</b>	<b>7,143</b>	<b>2,143</b>	
<b>Inc / Dec (-) in Cash</b>	<b>1,400</b>	<b>6,745</b>	<b>10,573</b>	<b>-8,825</b>	<b>18,299</b>	
Opening Cash Balance	1,163	2,563	9,308	19,881	11,056	
Closing Cash Balance	2,563	9,308	19,881	11,056	29,356	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Shareholders' Fund	98,231	1,19,312	1,43,579	1,78,660	2,27,111	
Share Capital	1,051	1,647	1,647	1,647	1,647	
Reserves & Surplus	97,180	1,17,665	1,41,932	1,77,013	2,25,464	
Preference Share Capital	0	0	0	0	0	
Minority Interest	670	364	166	364	561	
Total Loans	40,073	39,582	60,523	70,523	75,523	
Def. Tax Liab. / Assets (-)	8,821	8,606	11,891	11,891	11,891	
<b>Total - Equity &amp; Liab.</b>	<b>1,47,795</b>	<b>1,67,864</b>	<b>2,16,159</b>	<b>2,61,437</b>	<b>3,15,085</b>	
Net Fixed Assets	91,714	1,07,341	1,43,665	1,88,527	2,06,699	
Gross Fixed Assets	1,21,928	1,42,403	1,80,084	2,07,584	2,22,584	
Intangible Assets	0	0	0	0	0	
Less: Depn. & Amort.	35,466	42,792	47,539	57,677	69,505	
Capital WIP	5,252	7,730	11,120	38,620	53,620	
Investments	6,256	9,701	12,465	12,465	12,465	
Current Assets	1,27,790	1,54,113	1,51,519	1,58,846	2,15,747	
Inventories	67,854	83,939	79,315	87,220	1,00,364	
Sundry Debtors	38,597	36,578	28,369	29,073	43,013	
Cash & Bank Balances	2,563	9,308	19,881	11,056	29,356	
Loans & Advances	18,776	24,288	23,955	31,496	43,013	
Other Current Assets	0	0	0	0	0	
Current Liab. & Prov.	77,964	1,03,291	91,490	98,401	1,19,826	
Current Liabilities	73,335	98,271	86,366	93,277	1,14,702	
Provisions & Others	4,629	5,020	5,124	5,124	5,124	
Net Current Assets	49,826	50,822	60,030	60,445	95,921	
<b>Total - Assets</b>	<b>1,47,795</b>	<b>1,67,864</b>	<b>2,16,159</b>	<b>2,61,437</b>	<b>3,15,085</b>	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Net Margin	9.6%	5.8%	6.7%	7.3%	8.7%	
Asset Turnover (x)	3.0	2.3	2.0	1.9	1.8	
Leverage Factor (x)	1.7	1.5	1.5	1.5	1.4	
RoE	48.2%	18.9%	19.6%	20.0%	22.5%	

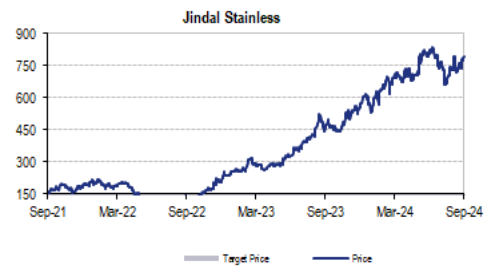
Key Ratios						
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
BV/Share (INR)	186.9	144.9	174.4	217.0	275.8	
ROIC	32.2%	14.8%	16.9%	15.8%	18.1%	
ROE	9.9%	32.0%	17.2%	17.9%	18.0%	
Net Debt/Equity (x)	0.4	0.3	0.3	0.3	0.2	
P/E (x)	13.2	31.7	25.3	20.2	14.3	
P/B (x)	4.2	5.5	4.5	3.6	2.9	
EV/EBITDA (x)	13.5	19.0	14.7	13.0	9.5	
EV/Sales (x)	2.1	1.9	1.8	1.6	1.3	
Debtor days	43	37	27	24	30	
Inventory days	76	86	75	72	70	
Creditor days	97	112	93	88	93	

Source: Company, JM Financial

### History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
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### Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

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Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

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