Jindal Steel and Power (JINSP)

CMP: ₹ 940 | Target: ₹ 1,220 (30%) | Target Period: 12 months | **BUY**

January 8, 2025

Expansion led high growth phase to commence...

About stock: Jindal Steel & Power (JSPL) is one of India's leading steel producers. With crude steel capacity of 9.6 million tons per annum (MTPA) it has major plants located in Angul (Odisha, 6 MTPA capacity) & Raigarh (Chhattisgarh, 3.6 MTPA).

- Its operations also include iron ore mining with capacity of ~10.6 MTPA, 15 MTPA of pellet plant and ~13.25 MTPA of finished steel capacity.
- With construction & Infrastructure segment forming ~55% of sales volume its key product offerings include TMT rebars, Plates, Structural, Rails, etc.

Investment Rationale

- **Tangible growth lies ahead amidst rising steel demand domestically:** India, the second largest consumer of finished steel globally, has a per capita steel consumption of only 93 kg, significantly below the global average of 219 kg. With the government's ambitious target of reaching 300 MT of crude steel capacity & increasing per capita steel consumption to 160 kg by FY31 to meet infrastructure needs, JSPL is well-positioned for growth given its currently undergoing brownfield expansion by doubling its capacity at Angul plant to capitalize on this growth opportunity.
- **Higher Import Duty to provide a potential relief:** Domestic steel imports surged to 8 years high of 6.5 MT, turning India a net importer of ~3.4 MT steel in Apr-Nov'24 period. Consequently, domestic steel prices have declined to 4 years low. However, steel prices are expected to bottom out as steel ministry proposes measures to protect the interest of industry given lower realisation led impact on profitability & viability of future capex plans. A higher import duty, if implemented, could significantly enhance JSPL's profitability, thereby acting as catalyst for stock re-rating.
- **Ambitious capacity expansion to drive long-term growth:** JSPL is executing an ambitious ~₹31,000 crore capex plan, with ~75% allocated to the Angul Phase II expansion, aiming to double its crude steel making facility from 6 MT to 12 MT, increasing the company's total capacity by 65% to 15.9 MT by FY26E. Moreover, with the commissioning of a ~6 MT Hot Strip Mill, it has already expanded its portfolio in industrial and auto space. As a result, the contribution of flat steel products is expected to rise, enhancing the company's portfolio of high value-added products, which will eventually increase the realisation and margins going forward. Thus, this aggressive expansion strategy, we expect steel sales volume at JSPL to grow at ~15% CAGR over FY24-27E, reaching 11.5 MT by FY27E.

Rating and Target Price

- We have a **positive** view on Jindal Steel and Power driven by volume led strategic capacity expansion, favourable steel demand domestically, focus on high margins product portfolio & controlled leverage on B/S (Debt: Equity at ~0.4x). We assign **BUY rating** on the stock with target price at **₹1,220** wherein we have valued it at **9x EV/EBITDA on FY26E-27E average**.

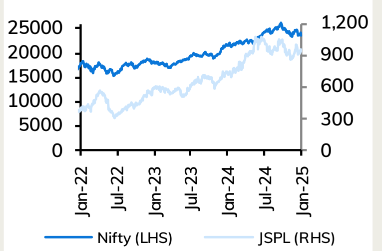
Particulars

Particulars	₹ crore
Market capitalisation	95,880
Total Debt (FY24)	15,896
Cash & Investment (FY24)	4,694
EV (₹ crore)	1,07,082
52 week H/L (₹)	1097 / 688
Equity capital (₹ crore)	100.2
Face value (₹)	1.0

Shareholding pattern

	Dec-23	Mar-24	Jun-24	Sep-24
Promoter	61.2	61.2	61.2	61.2
FII	11.8	11.9	12.6	12.2
DII	15.3	14.7	15.3	16.1
Other	11.7	12.1	10.8	10.6

Price Chart



Recent Event & Key risks

- We expect sales, PAT at JSPL to grow at CAGR of 15%, 14% respectively, over FY24-27E.
- **Key Risk:** i) state wise tinkering of royalty rate/levies on minerals especially iron ore (ii) delay in executing capex plans impacting medium term volume targets

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Key Financial Summary

Key Financials (₹ crore)	FY21	FY22	FY23	FY24	5 year CAGR (FY19-24)	FY25E	FY26E	FY27E	3 year CAGR (FY24-27E)
Net Sales	34,541	51,086	52,711	50,027	4.9%	48,315	63,208	75,509	14.7%
EBITDA	13,091	15,513	9,935	10,201	3.9%	9,619	13,402	16,428	17.2%
EBITDA Margins (%)	37.9	30.4	18.8	20.4		19.9	21.2	21.8	
Net Profit	3,634	5,753	3,174	5,938	NA	3,928	6,465	8,781	13.9%
EPS (₹)	35.6	56.9	31.6	59.2		39.2	64.5	87.6	
P/E	26.4	16.5	29.8	15.9		24.0	14.6	10.7	
RoNW (%)	11.9	17.0	10.7	13.4		8.2	11.9	14.0	
RoCE (%)	16.1	23.4	12.6	11.1		9.1	12.9	15.8	

Source: Company, ICICI Direct Research

Company Background

Jindal Steel and Power (JSPL), a part of the Naveen Jindal faction of the OP Jindal group, is one of India's leading integrated steel manufacturers. It operates three strategically located steel manufacturing facilities in Angul and Barbil (Odisha), Patratu (Jharkhand), and Raigarh (Chhattisgarh). The total installed capacities include: Iron ore mining- 10.6 MTPA, Pellet capacity- 15 MTPA, Liquid steel capacity- 9.6 MTPA, and Finished steel capacity- 13.25 MTPA. Over ~70% of its domestic steel manufacturing capacity (~7 MTPA) is produced through blast furnace route, while the remaining ~3 MTPA comes from DRI route (Direct reduced iron). Additionally, JSPL operates captive thermal power plants with capacity pegged at ~1.6 gigawatts (GW) at Raigarh and Angul plants. Notably, it has presence internationally with interest in coking coal mining assets in Australia, thermal and coking coal in Mozambique, and anthracite coal in South Africa.

JSPL diverse product portfolio includes TMT Rebars, plates, hot rolled coils, parallel flange beams and columns, rails, angles, channels, wire rods, fabricated sections etc. This wide range caters to various end user with ~55% of sales driven by construction and infrastructure segment, followed by ~31% from distribution, 10% from engineering & packaging, and balance ~3% from the automotive segment.

Exhibit 1: Jindal Steel and Power- Manufacturing Capacity (present and near-term expansion)

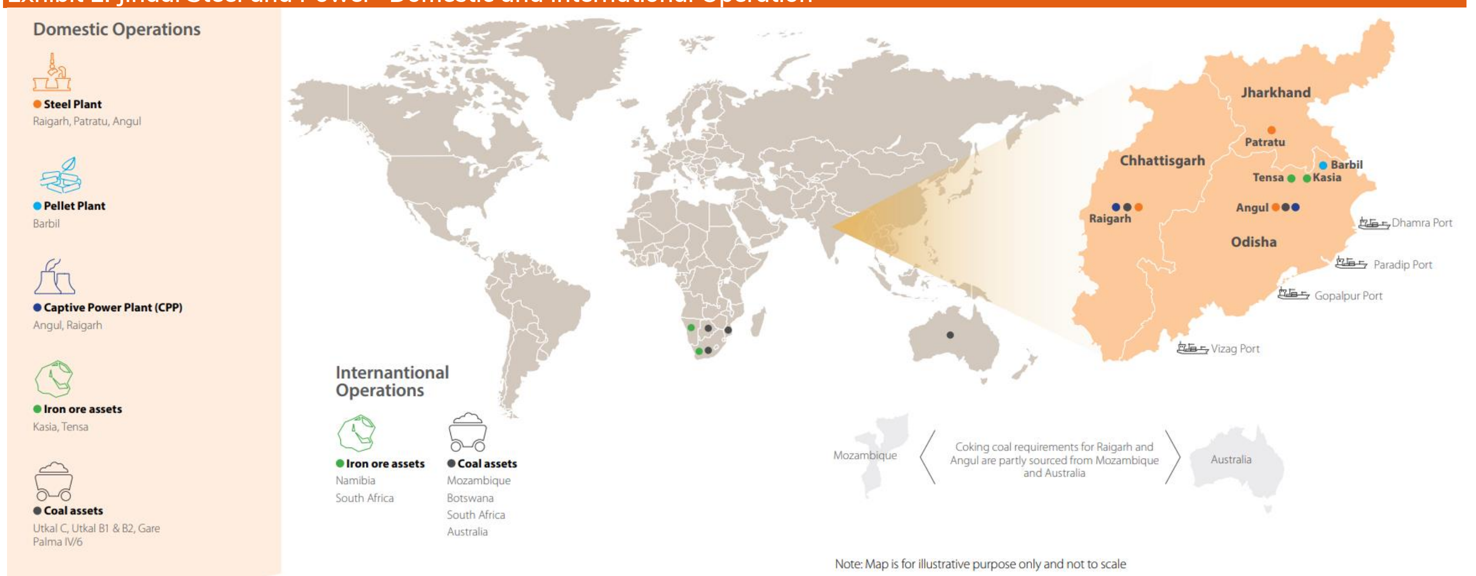
Mining		Iron Making 10.42 MTPA → 16.82 MTPA	Liquid Steel 9.6 MTPA → 15.9 MTPA	Finished Steel 7.25 MTPA → 13.75 MTPA
Iron-ore: Tensa **3.11 MTPA** Kasia **7.5 MTPA**	**Coal:** Gare Palma **IV/6 4 MTPA** Utkal C **3.37 MTPA** Utkal B1 & B2 **8 MTPA** Mozambique **5 MTPA** South Africa **1.2 MTPA** Australia **1.2 MTPA**	Direct Reduce Iron (DRI) **3.12 MTPA** → **4.92 MTPA** Blast Furnace (BF) **7.30 MTPA** → **11.90 MTPA**	Steel Melting Shop (SMS) **9.60 MTPA** → **15.9 MTPA**	Plate Mill **2.5 MTPA** → **3.0 MTPA** Bar Rod Mill **2.40 MTPA** Special Profiling Mill **0.75 MTPA** Wire Rod Mill **0.60 MTPA** Rail Mill **1.0 MTPA** Hot Strip Mill **6 MTPA** CRM Complex **1.2 MTPA** *(Downstream)*

Raigarh (Chhattisgarh)	Angul (Odisha)	Barbil (Odisha)	Patratu (Jharkhand)
BF **3.05 MTPA** DRI **1.32 MTPA** SMS **3.6 MTPA** Plate Mill **1.00 MTPA** Rail Mill **1.0 MTPA** Special Profiling Mill **0.75 MTPA** CPP **824 MW**	CGP **225,000 Nm3/Hr** BF **4.25 MTPA** → **8.85 MTPA** DRI **1.8 MTPA** → **3.6 MTPA** SMS **6 MTPA** → **12.3 MTPA** Bar Rod Mill **1.4 MTPA** Plate Mill **1.5 MTPA** → **2.0 MTPA** CPP **810 MW** Pellet Plant 1 & 2 - **12MTPA** ACPP-II **1050 MW** Hot Strip Mill **6 MTPA** CRM Complex **1.2 MTPA**	Pellet Plant **9 MTPA**	Wire Rod Mill **0.60 MTPA** Bar Rod Mill **1.0 MTPA**

Expansion

Source: Company, ICICI Direct Research

Exhibit 2: Jindal Steel and Power- Domestic and International Operation



Source: Company, ICICI Direct Research

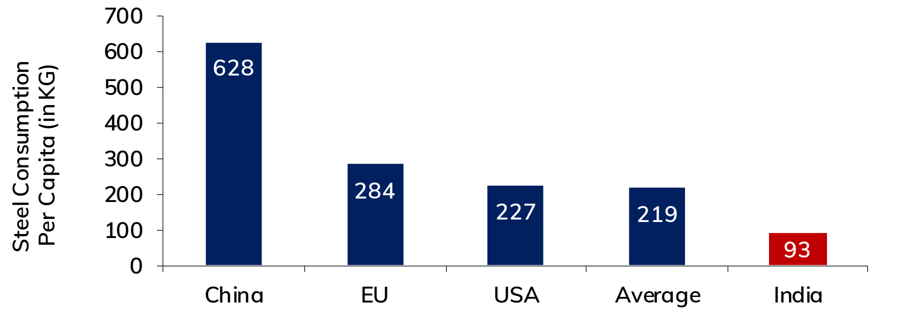
Investment Rationale

Low per capita steel consumption provides significant room for growth

India despite being the world's 2nd largest consumer of finished steel, lags behind the global average in per capita steel consumption, standing at 93 per kg, compared to the global average of 219 per kg. To address the rising need for infrastructure development and increased manufacturing capacity, the government has set an ambitious goal of reaching 300 MT in crude steel capacity and raising per capita steel consumption to 160 per kg by FY31. This, presents long term growth potential for JSPL, which is undergoing major brownfield expansion with crude steel capacity anticipated to grow by 65% to 15.9 MT by FY26E (vs. 9.6 MT in FY24).

As per World Steel Association (WSA), the global steel demand is expected to have a broad-based moderate growth of 1.2% to reach 1,772 MT in 2025. China's steel demand is expected to report 1% decline in CY25. ***Notably, WSA expects Indian steel demand to grow by 8% in CY2025. This growth is driven by growth across all steel-consuming sectors, particularly fueled by government led infrastructure investments.***

Exhibit 3: Global per capita steel consumption as of CY23

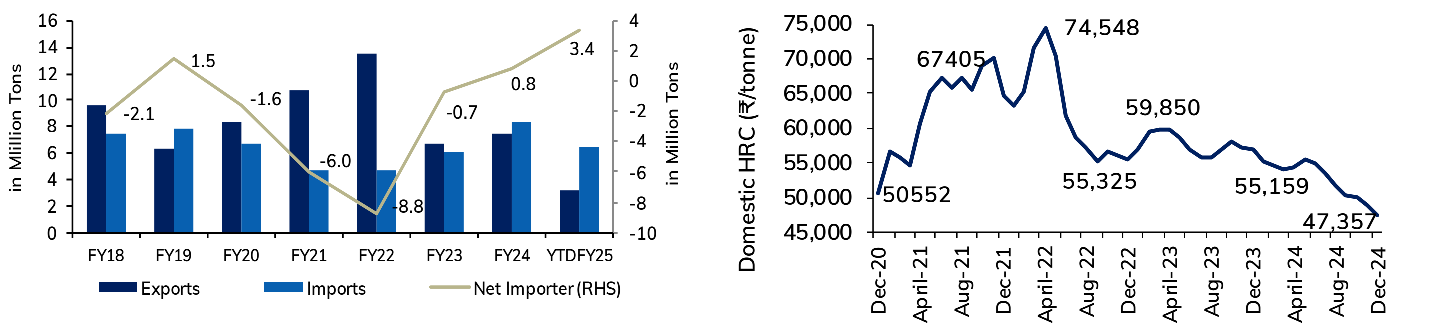


Source: World Steel Association Report 2023, ICICI Direct Research

Higher import duty is expected to provide a much-needed relief

Domestic steel production witnessed a healthy growth of ~13% YoY to 139 MT in FY24. Similarly, finished steel consumption grew by ~14% YoY to 136 MT, driven by government's continued spending on infrastructure & housing, which are the major contributors to the overall steel demand. This growth trend continued in H1FY25 as well, wherein steel consumption grew ~14% YoY to ~73 MT. However, domestic production reported a marginal growth of ~4% YoY during the same period, impacted by sharp rise in imports. Steel imports surged > 50% to 6.5 MT, reaching 8 years high between April'24-Nov'24 period. This has driven domestic steel prices to a four year low of ~₹47,000/ton, severely impacting the profitability of domestic steel players. Going forward, however, domestic steel prices are anticipated to bottom out as steel ministry has recently proposed protective measures, including the imposition of safeguard duties and initiating anti-dumping probe on imports. Any relief measure in the form of higher import duty will boost profitability at JSPL; key re-rating trigger.

Exhibit 4: Domestic Steel Industry- Import & Export Data and Domestic Steel Prices



Source: Ministry of Steel, Bloomberg, ICICI Direct Research

Exhibit 5: Jindal Steel & Power- Evaluation of import duty on EBITDA and PAT

Particulars	Units	FY26E	Scenario 1	Scenario 2
Safeguard Duty	%	-	5%	10%
Estimated Increase in Realization	₹/ton	-	1,500	3,000
Standalone EBITDA/tonne	**₹/ton**	**13,363**	**14,863**	**16,363**
Consolidated EBITDA	₹ crore	13,402	14,906	16,410
Expected Increase in EBITDA	**%**	**-**	**11%**	**22%**
Consolidated PAT	₹ crore	6,465	7,592.0	8,719
Expected Increase in PAT	**%**	**-**	**17%**	**35%**

Source: Company, ICICI Direct Research

Scenario 1: *With the imposition of 5% safeguard duty, JSPL could potentially hike steel prices by ₹1500/ton, driving a 11% rise to our FY26E EBITDA estimates. This, in turn, could enhance PAT by 17%.*

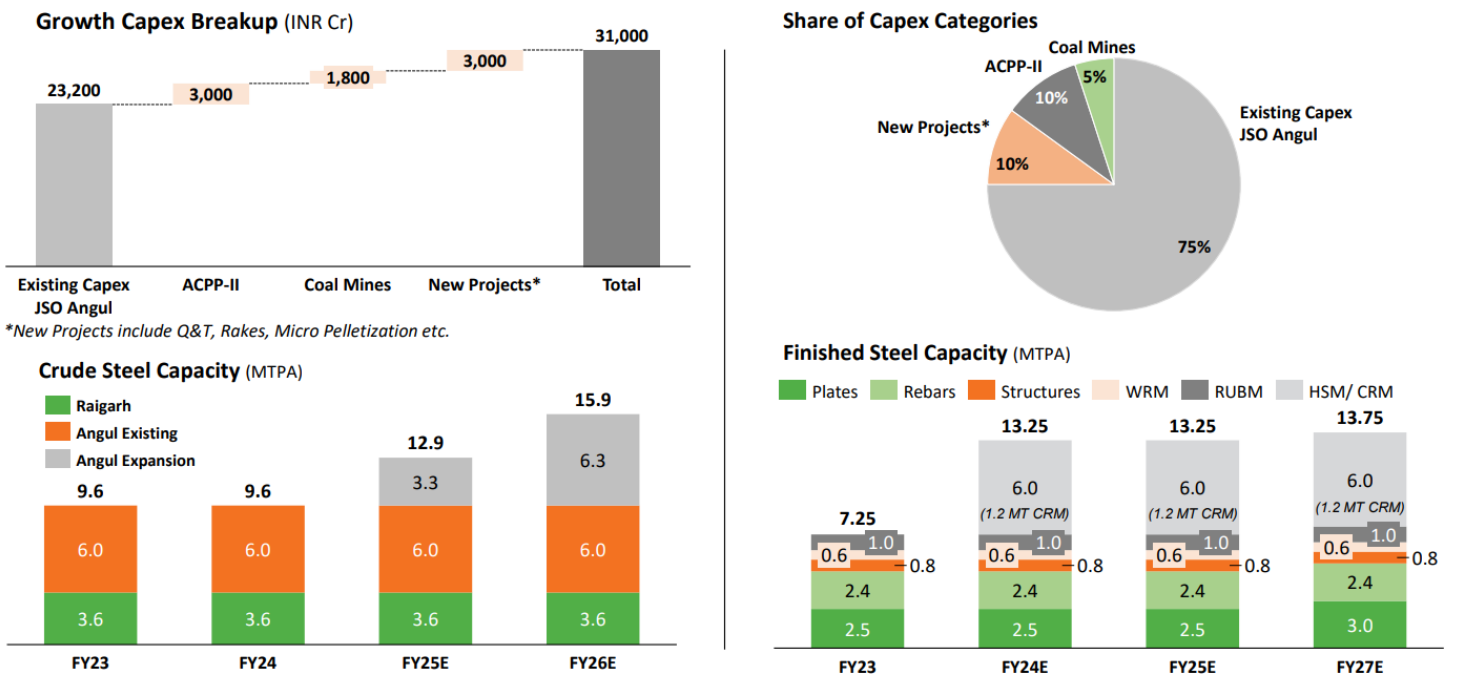
Scenario 2: *With the imposition of 10% safeguard duty, a realization increase of ₹3,000/ton is projected. This would improve our EBITDA and PAT estimates by ~22% and ~35%, respectively.*

Ambitious expansion in place to leverage growing domestic steel demand

With an aim to capitalize on emerging opportunities in the domestic steel sector, JSPL has embarked on an ambitious capex spend of ~₹31,000 crores with key focus on expanding crude steel capacities, strengthening backward integration, and enriching product portfolio. Over ~75% of the capex has been earmarked for the Angul Phase II expansion projects, aiming at doubling crude steel making facility at Angul from ~6 MTPA to ~12 MTPA, thereby increasing total company capacity by 65% to 15.9 MTPA by FY26E. This volume expansion will be supported by the installation of 4.65 MTPA of Blast Furnace (BF), 1.8 MTPA of Direct Reduced Iron (DRI) and 6.3 MTPA of steel melt shop (SMS). Furthermore, JSPL has commissioned a new 6 MTPA Hot Strip Mill capacity, thereby expanding its portfolio serving the engineering, industrial, and automobile segments. Within this, it will also venture into downstream flat steel products through 1.2 MTPA CRM complex, which will include HR skin pass mill, cold roll mill, galvanizing lines and colour coated capacities which is expected to commissioned in phases by Q1FY26. By FY27E, the total finished steel capacity at JSPL is projected to reach 13.75 MTPA. Consequently, the contribution of flat steel products is expected to rise at JSPL, thereby supporting JSPL's long-term growth prospects. **Thus, this overall capacity expansion & near-term commissioning is poised to drive volume growth at JSPL in coming years, addressing the stagnated growth experienced over past four years with steel sales at ~8 MT. We anticipate sales volume at JSPL to grow a 15% CAGR over FY24-27E, to 11.5 MT in FY27E.**

JSPL's value added products contributed ~64% to the company's sales in FY24. It is the preferred supplier of rails, including specialty rails, to Indian Railways, Dedicated Freight Corridor Corporation of India (DFCCIL) and metro projects. Additionally, JSPL is also catering to Shipbuilding and Defense segment by signing an MOU with Indian coast guard by supplying indigenous marine-grade steel. For Defence it aims to supply steel for Battle, Armor tanks, and Navy ships. This will strengthen the company's overall value-added product portfolio, enabling improved in realization and margin expansion going forward.

Exhibit 6: Jindal Steel and Power- Growth Roadmap Capacity Expansion



Source: Company, ICICI Direct Research

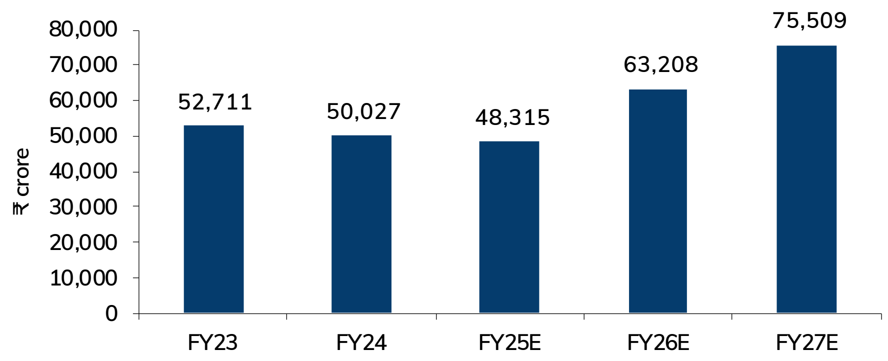
Strengthening raw material security to safeguarding against price volatility

JSPL has a robust backward integration for its manufacturing facilities in India. Domestically, its operating Tensa and Kasia iron ore mines, with a combined production capacity of ~10.6 MTPA, catering to ~60% of company's requirements. These mines are in proximity to Barbil pellet plant, providing added advantage given its in process of building a slurry pipeline stretching ~200 km to link Barbil with the Angul plant. Furthermore, JSPL has secured three thermal coal mines namely Utkal C, B1 and B2 mines in Odisha, and Gare Palma IV/6 in Chhattisgarh, boasting a combined peak mining capacity of ~15.4 MT, thereby making it self-sufficient for its captive coal requirement. Thus, all these measures are anticipated to yield cost savings and improve the overall company's margin profile. Additionally, JSPL operates coking coal, thermal and anthracite mines across Australia, Mozambique, and South Africa, which are capable of meeting significant share of company's coking coal requirements going forward. With firm backward integration in place, in terms of valuable mineral resources (iron ore and coal), JSPL is well equipped to withstand raw material volatility and report superior operating performance vs. its peers going forward. At JSPL, we expect EBITDA/tonne to improve to ₹13,363/14,251 per tonne levels for FY26E & 27E respectively vs. ₹12,234 per tonne in FY25E.

Key Financial Summary

Over the past 3 years, JSPL has operated at ~83% capacity utilisation on a crude steel capacity of 9.6 MT. This has resulted in stagnant sales volume, with no significant growth over FY22-25E. Moreover, the steep decline in Blended steel realisation is expected to decline the revenue by 3.4% YoY to ₹48,315 crore in FY25. However, with the commissioning of new brownfield capacity of 6.3 MT, we expect JSPL to report volume growth of ~15% CAGR over FY24-27E. Consequently, we expect topline to grow at a ~15% CAGR, during the same period, reaching ₹75,509 crore by FY27E.

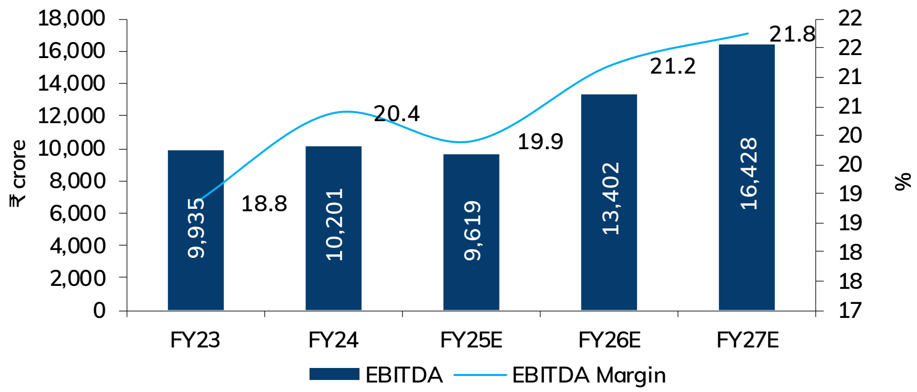
Exhibit 7: Trend in Topline



Source: Company, ICICI Direct Research

Flat steel volume growth and declining realizations are likely to constrain EBITDA margins to ~20% in FY25E. Looking ahead, margins are expected to improve to 21.8% by FY27E, driven by gradual recovery in steel prices, lower raw material costs through resource linkages, and a higher share of value-added products. EBITDA is expected to exhibit a CAGR of 17.2% over FY24-27E.

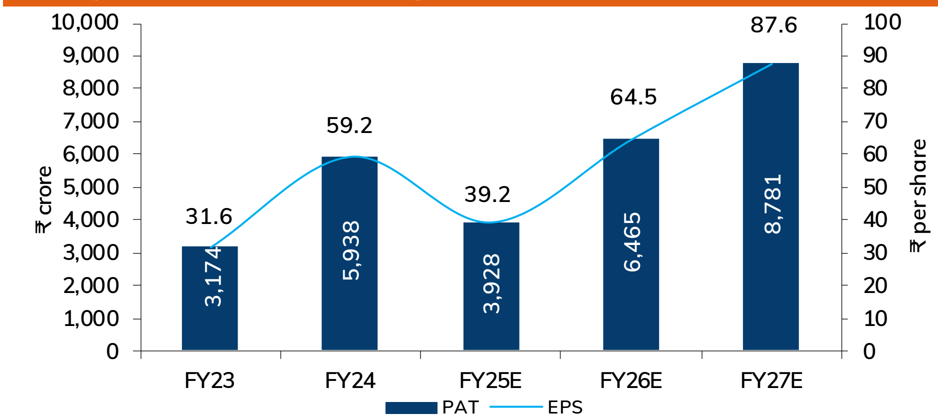
Exhibit 8: Trend in EBITDA & Margins



Source: Company, ICICI Direct Research

Going forward, with healthy growth in EBITDA and stable leverage on B/S, we expect PAT at JSPL to grow at a CAGR of 14% over FY24-27E to ₹8,781 crore by FY27E, translating into an EPS of ₹87.6 in FY27E vs. ₹59 levels clocked in FY24.

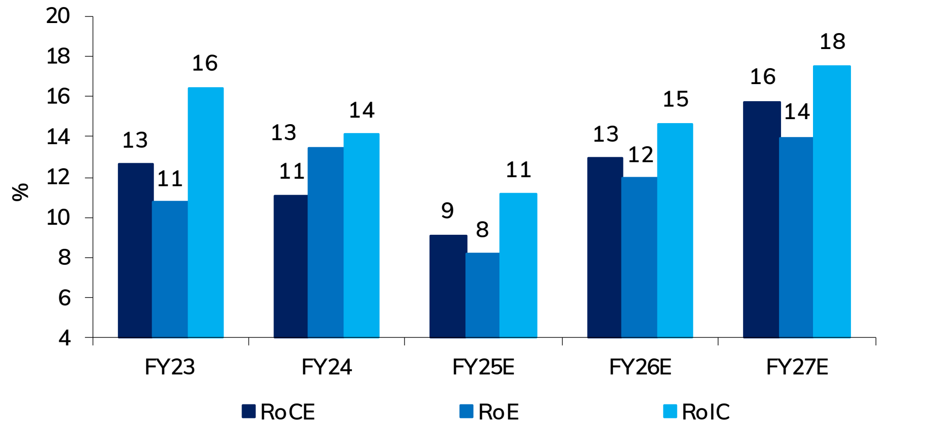
Exhibit 9: Trend in Bottom Line & EPS



Source: Company, ICICI Direct Research

With healthy double digit PAT growth and ambitious capex execution underway headline RoE/RoCE at JSPL are expected to gradual improved at ~14% to ~16% in FY27E. Additionally, core return ratios i.e. RoIC is seen healthy at ~18% in FY27E.

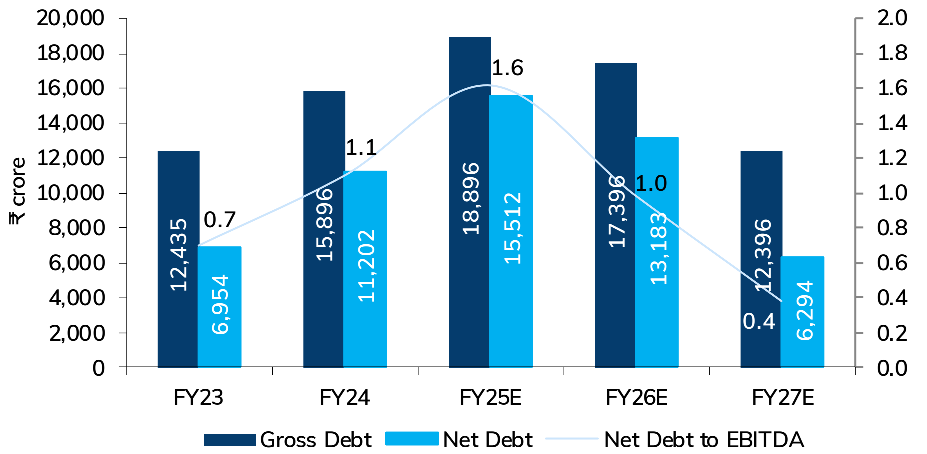
Exhibit 10: Trend in Return Ratios



Source: Company, ICICI Direct Research

JSPL has consistently prioritized lowering its net leverage, with consolidated net debt to EBITDA ratio down from 4.7x in FY19 to 1.1x in FY24 (largely a function of selling of non-core assets - power & overseas). While planned capex may cause leverage to increase temporarily, with Net Debt to EBITDA level expected at reach 1.6x in FY25E, the commissioning of new capacity is projected to generate strong cashflows, enabling debt reduction in FY26E and FY27E. The Debt: Equity is also comfortably placed at 0.4x levels, providing good margin of safety to our investment thesis. **JSPL has maintained its long-term endeavour to maintain Net Debt: EBITDA <1.5x.**

Exhibit 11: Trend in Gross and Net Debt



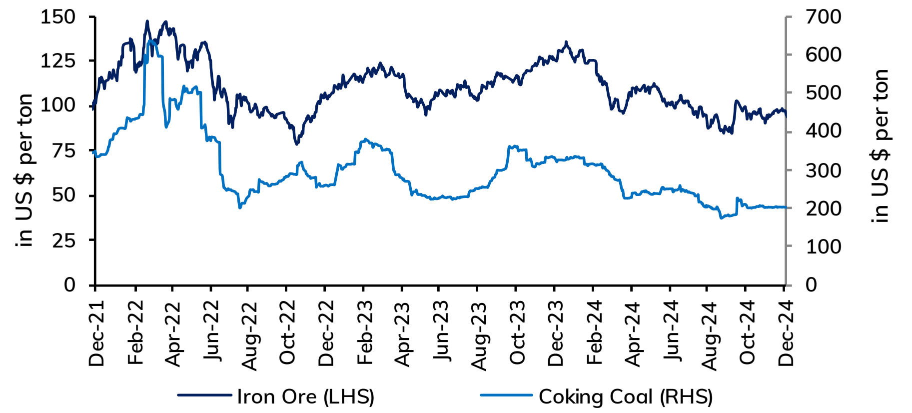
Source: Company, ICICI Direct Research

Risk and Concerns

More than expected rise in raw material prices will impact the profitability

Iron ore and coking coal are essential raw material for steel production, accounting for more than ~70% of the overall total cost. These raw materials are directly linked to international commodity prices, making them vulnerable to price fluctuation and uncertainties. The company has been enhancing its raw material sourcing by securing domestic and international mines. However, it still has to depend on external suppliers due to the projected full capacity expansion of ~15.9 MT, which will require ~25 MT of iron ore compared to the current ~10.6 MT supplied by captive mines. Additionally, the coking coal mines in Australia are undergoing maintenance and operating at low utilization rate. Prolonged maintenance could further constrain the availability of coking coal, potentially affecting the profitability by increasing reliance on external sources. Moreover, delays in scaling up its mines particularly thermal coal mines, exposes the company to price volatility as it must partially depend on coal linkages, e-auctions and imports to meet its thermal coal requirements.

Exhibit 12: Iron Ore and Coking Coal price trend



Source: Bloomberg, ICICI Direct Research

Delay in commissioning of new capacities restrict medium term volume growth

In the past, JSPL's major capex projects have witnessed a delay (2-3 quarters) primarily on account of unavailability of labour caused by the general election and extreme heatwave condition in Odisha. Consequently, the expected incremental volume gains have been deferred. Any additional delays in completing these new capacity projects could further disrupt the company's production timeline, reducing its ability to achieve the anticipated volume targets. Thus, these delays will impact the revenue growth and operational efficiency, and could potentially result in downward revision of our target price calculation for the stock.

Retrospective mining tax a key hurdle likely to impact operating performance

In August'24, the supreme court has authorized the states to collect royalty/tax on mineral bearing land from 1st April 2005. The court has directed the tax payment will be staggered in instalments for 12 years from 1st April 2026 (FY27) onwards. This development poses a significant challenge for the metal industry given the anticipated increase in mining costs which is expected to drive the overall cost of metal production. The mines in Odisha and Jharkhand are likely to be most affected, as these states have already issued substantial tax demands in the past. Thus, JSPL is expected to be impacted due to the extensive operations in these states. The matter is complex and will lead to a lot of litigation and judiciary involvement. We have not built in any adverse outcome of the same as on date, however any adverse demand by state governments could potentially impact financials at JSPL.

Financial Summary

Exhibit 13: Profit and loss statement (₹ crore)

(Year-end March)	FY24	FY25E	FY26E	FY27E
Net Sales	50,027	48,315	63,208	75,509
Other Operating Income	0	0	0	0
Total Operating Income	50,027	48,315	63,208	75,509
Growth (%)	-5.1	-3.4	30.8	19.5
Raw Material Expenses	22,020	22,962	29,901	36,256
Employee Expenses	1,288	1,166	1,351	1,499
Other Operating Expense	16,518	14,568	18,554	21,326
Total Operating Expenditure	39,826	38,696	49,806	59,081
EBITDA	10,201	9,619	13,402	16,428
Growth (%)	2.7	-5.7	39.3	22.6
Depreciation	2,822	2,933	3,320	3,575
Interest	1,294	1,392	1,452	1,117
Other Income	157	119	111	134
PBT	6,241	5,413	8,740	11,870
Exceptional Item	0	0	0	0
Total Tax	298	1,482	2,272	3,086
PAT	5,938	3,928	6,465	8,781
Growth (%)	86.0	-33.9	64.6	35.8
EPS (₹)	59.2	39.2	64.5	87.6

Source: Company, ICICI Direct Research

Exhibit 14: Cash flow statement (₹ crore)

(Year-end March)	FY24	FY25E	FY26E	FY27E
Profit after Tax	5,938	3,928	6,465	8,781
Add: Depreciation	2,822	2,933	3,320	3,575
(Inc)/dec in Current Assets	-3,083	419	-3,952	-3,265
Inc/(dec) in CL and Provisions	-20	-386	3,149	2,601
Others	1,294	1,392	1,452	1,117
CF from operating activities	6,951	8,285	10,434	12,809
(Inc)/dec in Investments	89	35	-15	-105
(Inc)/dec in Fixed Assets	-9,405	-11,000	-6,400	-4,500
Others	-165	2	3	3
CF from investing activities	-9,482	-10,963	-6,412	-4,602
Issue/(Buy back) of Equity	0	0	0	0
Inc/(dec) in loan funds	3,461	3,000	-1,500	-5,000
Dividend & interest outgo	-1,495	-1,592	-1,702	-1,418
Inc/(dec) in Share Cap	0	0	0	0
Others	-128	0	0	0
CF from financing activities	1,838	1,408	-3,202	-6,418
Net Cash flow	-693	-1,269	819	1,789
Opening Cash	4,717	4,024	2,755	3,574
Closing Cash	4,024	2,755	3,574	5,363

Source: Company, ICICI Direct Research

Exhibit 15: Balance Sheet (₹ crore)

(Year-end March)	FY24	FY25E	FY26E	FY27E
Liabilities				
Equity Capital	100	100	100	100
Reserve and Surplus	44,216	47,943	54,158	62,638
Total Shareholders funds	44,316	48,043	54,258	62,738
Total Debt	15,896	18,896	17,396	12,396
Deferred Tax Liability	5,923	5,923	5,923	5,923
Minority Interest / Others	1,979	1,991	2,004	2,017
Total Liabilities	68,114	74,854	79,582	83,075
Assets				
Gross Block	75,646	86,258	97,658	1,05,158
Less: Acc Depreciation	27,318	30,250	33,571	37,146
Net Block	48,329	56,007	64,087	68,011
Capital WIP	9,611	10,000	5,000	2,000
Total Fixed Assets	57,940	66,007	69,087	70,011
Investments	874	839	854	959
Inventory	7,077	6,883	9,005	10,757
Debtors	1,665	1,588	2,078	2,482
Loans and Advances	254	245	321	383
Other Current Assets	4,233	4,088	5,349	6,389
Cash	4,024	2,755	3,574	5,363
Total Current Assets	17,253	15,560	20,326	25,375
Current Liabilities	4,682	4,501	5,888	7,034
Provisions	502	483	632	755
Current Liabilities & Prov	10,601	10,215	13,364	15,964
Net Current Assets	6,652	5,345	6,963	9,411
Others Assets	2,648	2,663	2,678	2,693
Application of Funds	68,114	74,854	79,582	83,075

Source: Company, ICICI Direct Research

Exhibit 16: Key ratios

(Year-end March)	FY24	FY25E	FY26E	FY27E
Per share data (₹)				
EPS	59.3	39.2	64.5	87.6
Cash EPS	87.4	68.5	97.6	123.3
BV	442.1	479.3	541.3	625.9
DPS	2.0	2.0	2.5	3.0
Cash Per Share	40.1	27.5	35.7	53.5
Operating Ratios (%)				
EBITDA Margin	20.4	19.9	21.2	21.8
PAT Margin	11.9	8.1	10.2	11.6
Inventory days	51.6	52.0	52.0	52.0
Debtor days	12.1	12.0	12.0	12.0
Creditor days	34.2	34.0	34.0	34.0
Return Ratios (%)				
RoE	13.4	8.2	11.9	14.0
RoCE	11.1	9.1	12.9	15.8
RoIC	14.1	11.2	14.7	17.5
Valuation Ratios (x)				
P/E	15.9	24.0	14.6	10.7
EV / EBITDA	10.5	11.6	8.1	6.2
EV / Net Sales	2.1	2.3	1.7	1.4
Market Cap / Sales	1.9	2.0	1.5	1.3
Price to Book Value	2.1	2.0	1.7	1.5
Solvency Ratios				
Debt/EBITDA	1.6	2.0	1.3	0.8
Debt / Equity	0.4	0.4	0.3	0.2
Current Ratio	2.6	2.6	2.6	2.6
Quick Ratio	1.2	1.2	1.2	1.2

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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