

CMP: ₹ 755

Target: ₹ 940 (24%)

Target Period: 12 months

BUY

September 17, 2025

Strengthening with shine on India's growth wave...

About the Company: Jindal Stainless (JSL), founded in 1970, is India's leading stainless-steel company and top five stainless steel makers globally (Ex China).

- Operates India's largest fully integrated stainless-steel plant with capacity of ~3 million tons per annum (Odisha- 2.2 MTPA & Hisar- 0.8 MTPA).

Investment Rationale:

- Structural Industry tailwinds and Capacity expansion to fuel long term growth:** Stainless steel, with its durability, light weight, and corrosion resistance, is increasingly indispensable for core infrastructure. India's stainless-steel consumption grew at a healthy CAGR of 13% over FY21-25. Despite this, India per capita consumption at just ~3 kg (vs global average of ~6 kg), indicating significant headroom for growth remains. Furthermore, demand is set to accelerate with rising applications in automotive and process industries, while emerging sectors such as green hydrogen, nuclear energy and defence provide additional growth drivers. Industry estimates suggest domestic demand will expand at ~7% CAGR to 6.5 MTPA by FY30. JSL, the country's largest producer with 3 MTPA capacity, is well positioned to benefit. Its expanding through a 1.2 MTPA melting shop in Indonesia (JV with 49% equity stake), expected by FY27, which will boost overall capacity by ~40% to 4.2 MTPA. Additionally, JSL has announced a ~4 MTPA greenfield project in Maharashtra, with phased capex over the next 15 years period, ensuring a strong pipeline for long term growth.
- Enhancing product mix and increasing backward integration to support margins:** JSL is aiming to expanding its downstream capacities with hot-rolled and cold-rolled processing lines at its Odisha facility, aligned with the upcoming melting capacity. Additionally, it has acquired stakes in Chromeni Steel (0.6 MTPA cold rolling mill in Gujarat) to strengthen its portfolio of cold-rolled catering to high-growth sectors such as automotive and process industries. Furthermore, to reinforce raw material security, it has entered into 49% stakes in JV for a 2 lakh MTPA nickel pig iron capacity, ensuring reliable nickel availability given its critical raw material for stainless steel. On that note, we expect consolidated EBITDA/ton expected to reach ~₹21,500 by FY28E (vs ~₹19,700/ton in FY25).
- Controlled leverage with improving return ratios insight:** JSL has consistently maintained a healthy balance sheet, with Net Debt to EBITDA below 1x, despite executing a significant capex of ~₹5,400 crore. With the commissioning of new capacities, it is expected to generate annual CFO >₹4,000 crore, enabling debt reduction in the coming years. Consequently, return ratios are expected to improve to healthy ~17.5% by FY28E.

Rating and Target Price

- We have a **positive** view on JSL amidst its market leadership and healthy demand prospects in the stainless-steel space. We assign **BUY** rating on the stock with target price of **₹940** i.e. 12.5x Avg FY27E-28E EV/EBITDA, a tad premium given long term high growth rate drives in this domain.

Key Financial Summary

Key Financials ₹ crore	FY22	FY23	FY24	FY25	3 year CAGR (FY22-25)	FY26E	FY27E	FY28E	3 year CAGR (FY25-28E)
Net Sales	32,733	35,697	38,562	39,312	6.3%	42,227	46,629	51,205	9.2%
EBITDA	5,090	3,586	4,704	4,666	-2.9%	5,220	5,834	6,586	12.2%
EBITDA Margins (%)	15.6	10.0	12.2	11.9		12.4	12.5	12.9	
Net Profit	3,079	2,115	2,713	2,505	-6.6%	2,797	3,297	3,946	16.3%
EPS (₹/share)	58.6	25.7	32.9	30.4		34.0	40.0	47.9	
P/E	20.2	29.4	22.9	24.8		22.2	18.9	15.8	
RoNW (%)	32.1	18.4	18.7	14.8		14.4	14.8	15.3	
RoCE (%)	28.5	16.6	17.3	14.9		15.6	16.5	17.6	

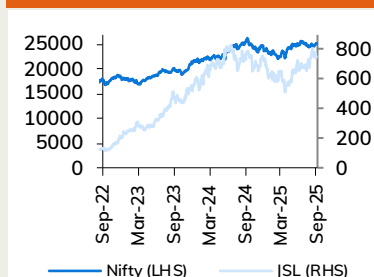
Source: Company, ICICI Direct Research

**Particulars**

Particulars	₹ crore
Market capitalisation	62,186
Total Debt (FY25)	6,298
Cash & Investment (FY25)	2,274
EV (₹ crore)	66,209
52 week H/L (₹)	819 / 497
Equity capital (₹ crore)	165
Face value (₹)	2

Shareholding pattern

	Sep-24	Dec-24	Mar-25	June-25
Promoter	60.5	60.7	60.9	61.1
FII	22.8	22.2	21.4	21.3
DII	5.9	6.3	6.9	7.1
Other	10.9	10.9	10.9	10.6

Price Chart**Recent Event & Key risks**

- Sales, PAT to grow at a CAGR of 9% and 16% over FY25-28E.
- Key risk:** i) sharp volatility in raw material prices (especially Nickel, Ferro-Chrome) could weigh on profitability ii) continues surge in cheap imports will put downward pressure on the company's realization & margins

Research Analyst

Shashank Kanodia, CFA
shashank.kanodia@icicisecurities.com

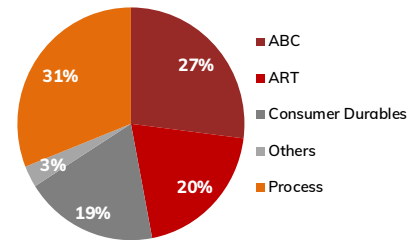
Manisha Kesari
manisha.kesari@icicisecurities.com

Company Background

Founded in 1970, Jindal Stainless is one of India's leading stainless-steel producers. In 1975, the company established the country's first stainless steel manufacturing units in Hisar, Haryana. Currently, JSL operates 16 stainless steel manufacturing and processing facilities across India, Spain and Indonesia. On domestic front, it boasts India's largest fully integrated stainless-steel plant with a total Steel Melting Shop capacity of 3 MTPA, including 2.2 MTPA at its Odisha plant and 0.8 MTPA in Hisar. Moreover, it has downstream capabilities with its wholly owned subsidiary's Jindal United Steel Ltd contributes 3.2 MTPA of hot rolling capacity and 0.6 MTPA of cold rolling capacity. While its recently acquired companies such as Rathi Super Steel supports long product such as wire rods and rebars, with 0.16 MTPA capacity. Furthermore, on international front, JSL serves advanced service centre in Spain, catering to the European markets. Additionally, JSL holds 49% stakes in PT Glory Metal Industry, which operates a 1.2 MTPA steel melting capacity. Moreover, it also holds 49% stakes in PT Cosan Metal Industry, operating nickel pig iron capacity.

Jindal Stainless is a leading manufacturer of wide variety of grades across all series of Stainless steel, with 200 series contributing 37% of product mix, 300 series contributing 46%, and 400 series contributing 17% (as of FY25). The ranges include stainless steel slabs, blooms, coils, plates, sheets, precision strips, wire rods, rebars, blade steel and coin blanks. Its products serve various end user, including consumer goods (kitchenware and durables), process industries (pharmaceuticals, oil & gas, aerospace, defence, nuclear power), equipment manufacturers, automobile and railway transportation, and architecture-building-construction (ABC) sectors.

JSL Segment Contribution %



Source: Company, ICICI Direct Research

Note: ABC-Architect Building Construction; ART- Automobile Railway and Transport

Exhibit 1: Jindal Stainless- Domestic and International Operation



Source: Company, ICICI Direct Research

Exhibit 2: Jindal Stainless- Domestic and International Operation



Source: Company, ICICI Direct Research

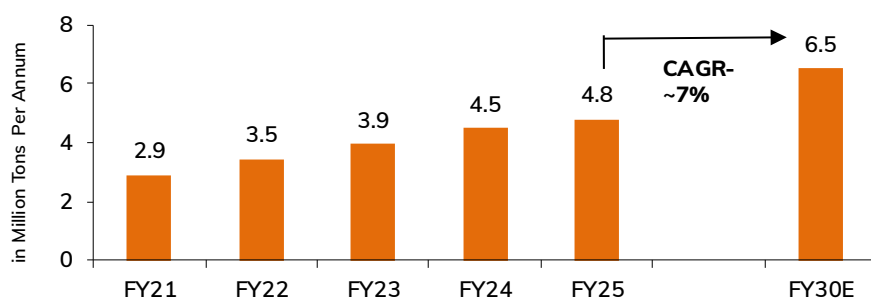
Investment Rationale

Stainless steel's diverse applications make it a top choice for industries

Stainless steel is a corrosion-resistant and rustless steel. Its ability to resist corrosion is achieved by adding minimum 10.5% of chromium to Iron, which forms a protective oxide layer on the surface that prevents iron from corroding. Its properties are more enhanced with other elements such as Nickel and Molybdenum. It has exceptional characteristics, including corrosion resistance, good erosion, low maintenance, weldability, aesthetic appeal, durability, and low life cycle cost. This is evident from the last 40 years figures, wherein stainless-steel demand reported higher growth of 5.1%, thereby outpacing the other metals such as carbon steel (~2.3%), aluminium (~3.6%), and copper (~2.6%). As per industry sources, Global stainless-steel consumption is projected to increase to 70.8 MTPA by 2030, growing at a CAGR of 4% to 4.5%. Within this, Asia Pacific region such as China, India, and Japan, will be the major growth driver owing to increase in infrastructure and urbanization trends, and higher usage in industries such as automotive and renewable energy.

Notably, India is the second largest consumer of stainless steel, with industry sources indicating domestic stainless-steel consumption grew healthy by 7% YoY to 4.8 MT in FY25. This trend is expected to continue given the per capita stainless-steel consumption is only ~3 per kg, which is below the global average of ~6 per kg, thereby signalling significant headroom for growth. Moreover, the increasing applications in Automotive, Railway, and Process Industries Furthermore, the demand from emerging sector such as green hydrogen, nuclear energy, ethanol, water treatment, marine, space, and defence, which will further contribute the growth in this segment. With this, the demand of stainless steel is expected to reach at 6.5 MTPA by FY30, growing at a CAGR of 7%. This provides immense a significant growth opportunity to Jindal Stainless Steel, who is the largest player in this space, currently having 3 MTPA of capacity contributing over 40% of the installed stainless-steel capacity.

Exhibit 3: India Stainless Steel Consumption (MTPA)



Source: Company, ICICI Direct Research

Exhibit 4: Raw Material Composition of Stainless Steel

Particular	Series 200	Series 300	Series 400
Chromium (Cr)	13-20%	16-26%	10.5-25%
Nickel (Ni)	1-4%	6-28%	0.5% (Max)
Manganese (Mn)	6-11%	2% (Max)	1% (Max)
Copper (Cu)	1-3%	0	0
Iron (Fe)	Remaining	Remaining	Remaining

Source: Company, ICICI Direct Research

Exhibit 5: Various Application of Stainless Steel

Applications	Series 200	Series 300	Series 400
Utensils, Household goods, & Kitchen appliances	Yes	Yes	Yes
Tubes and pipes	Yes	Yes	Yes
Architecture/construction	Yes	Yes	Yes
Automotive/railways & transportation	No	Yes	Yes
Oil, gas, and energy	No	Yes	Yes
Power plants, Nuclear application	No	Yes	No
Pharmaceuticals	No	Yes	No
Consumer durable	Yes	No	Yes
Blades	No	No	Yes

Source: Company, ICICI Direct Research

Globally, 300-series stainless steel alloys are the most widely used, with 304 and 316 grades being particularly popular due to their corrosion-resistant austenitic properties and high chromium-nickel content.

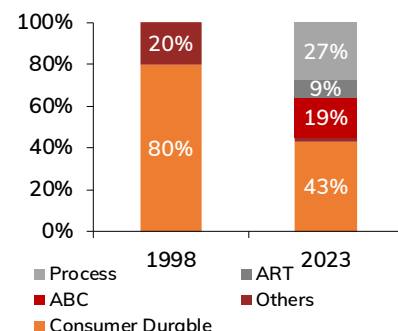
JSL has supplied high-strength tempered 301L austenitic steel for Vande Bharat sleeper coaches and has undertaken similar projects for Vande Metro, as well as the Kolkata, Bangalore, and Mumbai metro systems.

Emerging opportunities strengthens Stainless Steel's long-term growth

With the government increasing thrust towards infrastructure spending with capex to GDP ratio remaining elevated at 3.1%, the demand for stainless steel continues on an upward trajectory given its exceptional qualities such as corrosion resistance, and durability, thereby making it the preferred choice for core infrastructure and major critical applications. Major industries driving stainless steel demand are as follows:

- Automotive, Railways and Transportation (9% of domestic stainless-steel consumption):** With rising focus on fuel efficiency in conventional vehicles and extended range in EVs, stainless steel is increasingly used in lightweight, high-strength applications such as battery enclosures, chassis and safety components. Also, railways are set to generate demand through projects like the Mumbai-Ahmedabad bullet train, expansion of Vande Bharat fleet to 800 trains by 2030, and the phased transition to LHB coaches. Furthermore, the planned production of 10,000 new non-AC coaches and the rollout of Amrit Bharat trains will accelerate stainless steel consumption. In continuation, large-scale infrastructure initiatives such as 100 GatiShakti multimodal cargo terminals and development of 50 new airports will expand stainless steel applications in cargo handling, runways and MRO facilities. Overall, rapid transformation in India's transport and mobility infrastructure positions stainless steel as an essential material for the next decade.
- Architect, Building and Construction (19% of domestic stainless-steel consumption)** sector is driving stainless steel demand through rise in adoption of stainless steel rebars, particularly in coastal and high-humidity regions, where durability and low maintenance costs are crucial. Additionally, its applications in sewage treatment, metro projects, and load-bearing structures continue to expand. Furthermore, large-scale urban development under the Smart Cities Mission and surge in affordable housing projects are creating a robust pipeline of opportunities with higher usage in plumbing, roofing, facades and modular systems.
- Process Industry (27% of domestic stainless-steel consumption)** presents robust growth potential for stainless steel, with rising adoption in food processing and pharmaceuticals where hygiene and safety are critical. Additionally, the renewable energy transition, supported by solar and nuclear power expansion, will drive demand in reactors, boilers, and piping systems. Furthermore, oil, gas and petrochemicals sector (contributes 45%-50% of stainless-steel demand for process industries), backed by growing investments and consumption, is fuelling demand in high-pressure pipelines, refining equipment and deepwater wells. In continuation, aerospace and defence modernisation is creating opportunities for high-grade and heat-resistant stainless steel in aircraft, naval vessels, spacecraft and weapon systems. Collectively, these diverse applications across critical industries ensure sustained and long-term growth in stainless steel consumption.

Change in Domestic Stainless-Steel consumption



Source: Company, ICICI Direct Research

Note: ABC-Architect Building Construction; ART-Automobile Railway and Transport

JSL is also qualified to manufacture and supply customized stainless steel and specialty low-alloy steel sheets and plates for BrahMos Aerospace Pvt. Ltd. It has contributed to several national security projects, providing materials for missile canisters, rocket exhaust units, PSLV and GSLV Mk3 launch vehicles, India's Chandrayaan-3 mission, and the nuclear submarine missile program.

Exhibit 6: Jindal Stainless- Progressive Potential Market

Particulars	Foot Over Bridge	Road Over Bridge	Flyovers	Railway Station	Airport
Consumption	100-150MT/Bridge	250-350MT/ROB	2000-2500MT/Flyover	1500-2000MT/Station	2000-2500MT/Airport
Potential	1000 FOB/Year	300/Year	1000 Bridges/Year	7700 (Redevelopment 1275)	137 Airports

Source: Company, ICICI Direct Research

Exhibit 7: Jindal Stainless- Progressive Potential Market

Particular	Ethanol	Green 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
Potential	Current capacity 7 billion litres and aim to reach 12 billion litres with target of 30% ethanol blending by 2030	At least 5 MMT per year by 2030	1.5 trillion metric cube of water by 2030 with 38,000 MLD of WTP	Current capacity 8180 MW, 22,480 MW by 2032
Applications	Fermentation tanks, Beer well, CO2 Column, Applications Analyzer column, Heavy molasses tank, Rectifier column	Hydrogen Electrolysers: Bi Polar Plate Hydrogen Generation Equipment: LP Piping, Buffer Tanks, Heat Exchanger, Driers, Cryogenic Storage	Water Treatment Plant: Trash rack equipment, Intake Screens, Weirs, Gates, Piping, Agitators. Treatment sections, Dryers etc	Super critical boilers, Piping. Fission Reactors, Tanks, chimneys

Source: Company, ICICI Direct Research

Expansion in line to maintain leadership in India Stainless Steel

With an aim to capitalize on growing opportunities and maintaining market share in the domestic stainless-steel sector, JSL has announced a three-pronged strategy investment worth ~₹5,400 crore aimed at enhancing its steel melting capacity, downstream capacities, and increasing captive raw material sourcing mix.

- Expanding Steel Melting Capacity through JV in Indonesia:** JSL has entered into a joint venture with Singapore entity for setting up 1.2 MTPA stainless steel melting shop in Indonesia, which will commission by FY27E. This is will increase the total steel melting capacity by 40% to 4.2 MTPA, and have first right of refusal on 1.2 MTPA of stainless-steel capacity. This expansion will be done at an investment cost of ₹700 crores at 49% stake, with total investment at ~₹1,457 crore. This capacity expansion will ensure to meet the rising steel demand.
- Focus on increasing downstream capacities:** JSL is also expanding its downstream capacities by setting up hot-rolled and cold-rolled processing lines at Odisha facility, thereby aligning with the increased melting capacity. The capex allocated is ~₹1,900 crore. With this, it aims to steadily increasing the share of cold rolled and hot-rolled products in its portfolio to meet rising demand from sectors such as automotive, railway, infrastructure, process, consumer durables and precision engineering. Furthermore, JSL has earmarked ~₹1,450 crore for infrastructure upgrades, including railway sliding, sustainability-related projects, and renewable energy space.
- Acquired Chromeni Steel to expand its portfolio to Cold rolling stainless steel:** JSL had acquired equity stakes at Chromeni Steel at acquisition cost of ~₹1,618 crore (Acquisition in two tranches- 54% equity stakes at cost of ₹1,340 crore, including ₹1,295 crore of existing debt and balance 46% equity stakes at ₹278 crore). It has 0.6 MTPA of cold rolling mill capacity in Mundra, Gujarat, thereby expanding its CRC capacity from 1.4 MTPA to 2.05 MTPA. It has already commenced the operations and currently operating at 60%-65%, with plans to reach utilisation level to 80%-85% by Q4FY26. This will enable the company to expand its cold rolling capacity in its product mix.
- Strengthening Backward Integration:** JSL has entered into a collaboration agreement with Ney Yaking Pte Ltd to develop and operate nickel pig iron (NPI) smelter facility with annual production capacity of 2 lakh MT with an average nickel content of 14%. It has acquired a 49% of equity stakes in JV at an investment cost of USD\$157 million. This acquisition will provide long term availability of nickel, given its a critical component of stainless steel and contributes ~45% of total raw material cost. It prone to geopolitical issues, logistical hurdles, and disruption in demand-supply dynamics.
- Diversification towards Long Product segment:** JSL has acquired Rathii Super Steel (renamed as JSL Super Steel), which has rolling capacity (wire rod and rebar) of 0.16 MTPA. This acquisition involves ₹200 crores of debt and ₹100 crore of investments towards expanding the annual production capacity from 1.5 lakh tons to 2 lakh tons. This expansion is amidst JSL diversifying its portfolio into long product with aim of increasing its long product portfolio contribution to 15%-20% in the coming years.

JSL has signed a non-binding MoU with the Government of Maharashtra to establish a greenfield stainless steel manufacturing facility. The planned capacity is 4 MTPA, with an expected investment of ₹40,000 crore over 10-15 years, including 1 MTPA of stainless-steel melting capacity by 2030.

Exhibit 8: Jindal Stainless- Capacities Expansion and Acquisitions in the recent past

Particulars	Capex & Acquisition	Details
Indonesia JV (49% stake)	Capex- ₹700 crore	1.2 MTPA stainless steel melting capacity
Downstream Capacity- Jajpur	Capex- ₹1,900 crore	Setting up hot-rolled and cold-rolled processing line
Chromeni Steel	Acquired at ₹1,618 crore (Debt- ₹1,295 crore + Equity- ₹323 crore)	0.6 MTPA of cold rolling mill capacity in Mundra
Nickel Smelter JV (49% stake)	Investment cost- US\$157 million	Annual production capacity of 2 lakh MT with an average nickel content of 14%.
Jindal United Steel	Acquired balance 74% equity stakes for ₹958 crore	3.2 MTPA hot rolling stainless steel capacity
Rathii Super Steel	Acquired Debt of ₹200 crore	0.16 MTPA of Rolling capacity (wire rod and rebar)

Source: Company, ICICI Direct Research

Key Financial Summary

JSL delivered a topline CAGR of 6% over FY22–25 to ₹39,312 crore, driven by 12.4% CAGR growth in sales volumes. This was offset by a 4.3% CAGR decline in blended realizations due to rising cheap stainless-steel imports. Moreover, the export share, a margin-accretive segment, also declined from ~20% in FY22 to below 10% in FY25, further pressuring realizations. Looking ahead, commissioning of 1.2 MTPA stainless steel capacity, supported by strong domestic demand, is expected to drive volumes at ~9% CAGR over FY25–28E. Additionally, ramp-up of downstream operations will boost the share of value-added products, improving realizations. We project revenue growth of ~9% CAGR, taking JSL's topline to ~₹51,000 crore by FY28E.

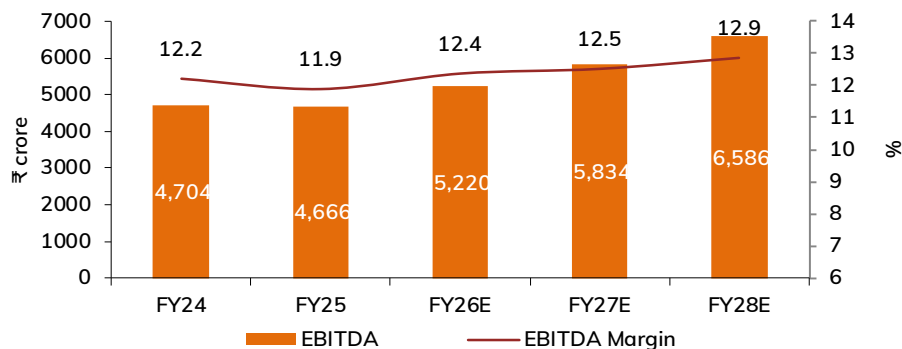
Exhibit 9: Trend in Topline



Source: Company, ICICI Direct Research

Over the past four years, JSL's EBITDA margin has declined from 15.6% in FY22 to 11.9% in FY25, due to lower realizations and higher raw material costs. Nonetheless, we expect margins to gradually improve to 12.9% by FY28E, owing to downstream operations leading to an increase in value-added products, thereby improving operating performance. Moreover, the increase in raw material security through a 49% equity stake in a JV will also provide support to margins in the coming years. Thus, we expect EBITDA to grow at a CAGR of 12.2% over the FY25–28E period.

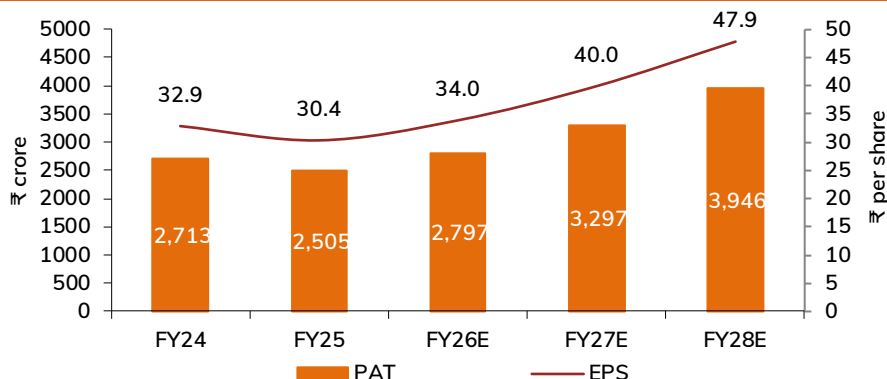
Exhibit 10: Trend in EBITDA & EBITDA margins



Source: Company, ICICI Direct Research

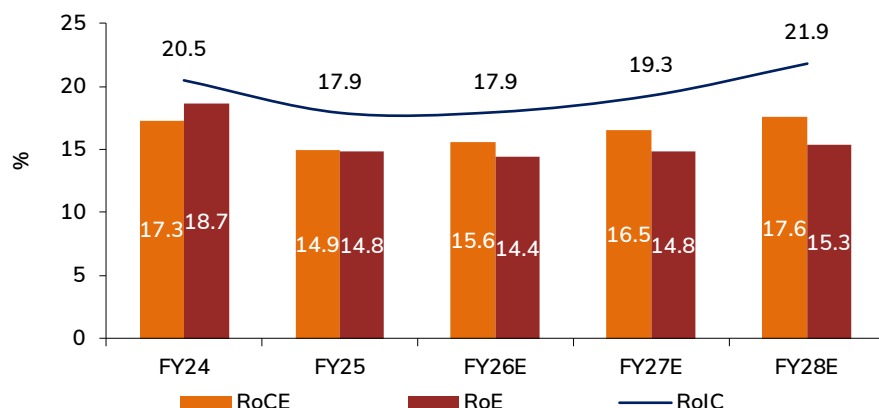
Going forward, with stable growth in EBITDA and controlled leverage on the balance sheet, we expect PAT at JSL to grow at a CAGR of 16.3% over FY25–28E to ₹3,946 crore by FY28E, translating into an EPS of ~₹48 in FY28E vs ₹30.4 in FY25.

Exhibit 11: Trend in Bottom line & EPS



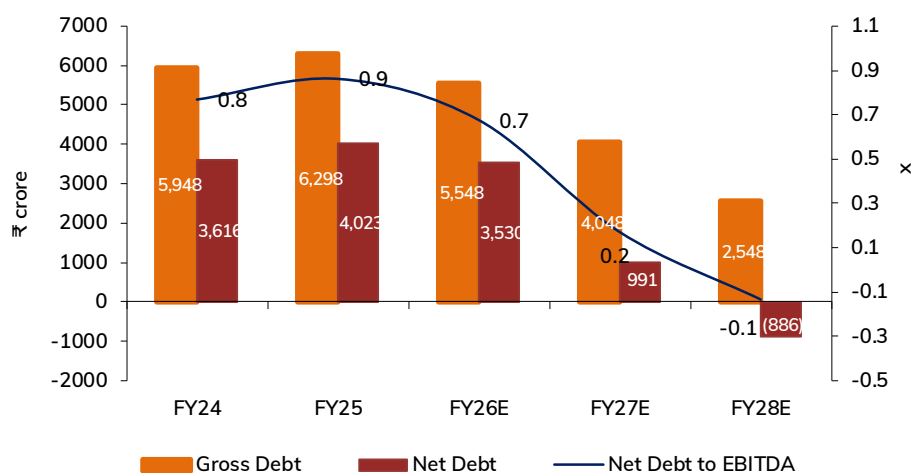
Source: Company, ICICI Direct Research

With healthy double-digit PAT growth and ambitious capex execution underway, headline RoCE/RoE at JSL are expected to gradually improve to ~17.6% and ~15.3% in FY28E, respectively. Moreover, its core return ratio, i.e., RoIC, is expected to remain healthy at ~22% in FY28E.

Exhibit 12: Trend in Return Ratios


Source: Company, ICICI Direct Research

JSL has consistently prioritized maintaining a healthy balance sheet, with Net Debt to EBITDA remaining below 1x in the past three years, despite heavy capex of ~₹5,400 crore under execution. Going ahead, the commissioning of new capacity is projected to generate strong cash flows, enabling debt reduction, with the company expected to turn net-debt free by FY28E. Notably, Debt to Equity is also comfortably placed at <1x levels, providing a good margin of safety to our investment thesis.

Exhibit 13: Trend in Gross and Net Debt


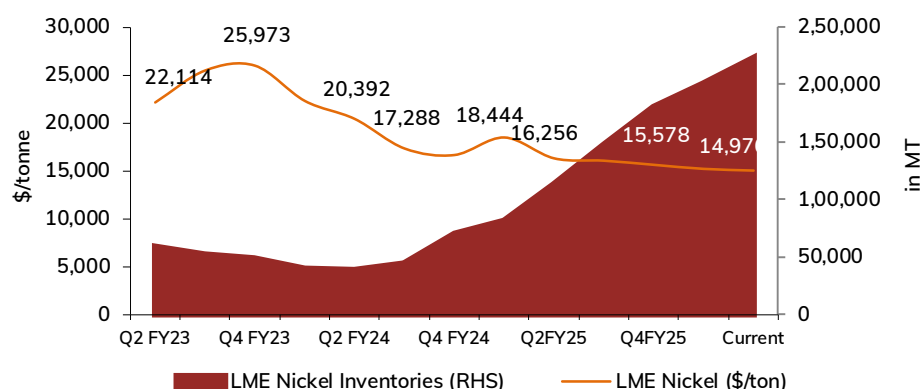
Source: Company, ICICI Direct Research

Risk and Concerns

Higher volatility in raw material prices could weigh on earnings

Nickel and ferrochrome are essential raw materials accounting for ~70% of the overall total cost, with nickel being the highest cost raw material for stainless steel. Importantly, nickel prices are directly exposed to LME nickel prices, making them highly vulnerable to price fluctuations and uncertainties. Moreover, with the lack of availability of nickel in the domestic market, it is mostly imported from external sources, thereby being prone to geopolitical issues, logistical hurdles, and disruption in demand-supply dynamics. Moreover, to mitigate these risks, JSL has entered into a collaboration agreement with Ney Yaking Pte Ltd to develop and operate a nickel pig iron (NPI) smelter facility with an annual production capacity of 2 lakh MT. This will secure raw material linkages and provide stability to the operating margin.

Exhibit 14: Global LME Nickel price and inventories



Source: Bloomberg, ICICI Direct Research

Continue surge in imports will adversely impact company's performance

Over the years, stainless-steel imports have witnessed a continuous surge, accounting for ~36% of India's stainless-steel consumption in FY25. These cheap imports are mainly flat products, where JSL have market leadership in this segment. These are mainly entering through Association of Southeast Asian Nations and Free Trade Agreement partner countries. This has impacted JSL's net sales realizations, which declined by 4% YoY in FY25. However, JSL in the recent concall mentioned that it's in talks with the government regarding the imposition of anti-dumping duty. Thus, any such imposition on stainless-steel imports will be positive and act as a key catalyst for JSL's re-rating.

Dealy in commissioning of new capacities could restrict volume growth

JSL is executing ~₹5,400 crore of capex with the aim of enhancing its steel melting and downstream capacities. Within this, it is setting up a 1.2 MTPA stainless steel melting shop in Indonesia through a JV, which is expected to be commissioned by FY27E, increasing total melting capacity by 40% to 4.2 MTPA. Moreover, in line with increased melting capacity, it is expanding its downstream capacities by setting up hot-rolled and cold-rolled processing lines at its Odisha facility. Any delays in completing these new capacity projects could disrupt the company's production timeline, reducing its ability to achieve anticipated volume targets.

Financial summary

Exhibit 15: Profit and loss statement

₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Total Operating Income	39,312	42,227	46,629	51,205
Growth (%)	1.9	7.4	10.4	9.8
Raw Material Expenses	26,866	28,224	31,125	34,077
Employee Expenses	856	948	1,049	1,152
Other Operating Expense	6,925	7,834	8,621	9,390
Total Operating Expenditure	34,646	37,006	40,794	44,618
EBITDA	4,666	5,220	5,834	6,586
Growth (%)	-0.8	11.9	11.8	12.9
Depreciation	955	1,077	1,194	1,280
Interest	612	592	456	297
Other Income	291	236	254	292
Share of Profit of JV	-44	-39	-20	-10
PBT	3,346	3,748	4,419	5,292
Exceptional Item	7	0	0	0
Total Tax	839	956	1,127	1,349
PAT post Minority Interest	2,505	2,797	3,297	3,946
Growth (%)	-7.7	11.7	17.8	20
EPS (₹)	30.4	34.0	40.0	47.9

Source: Company, ICICI Direct Research

Exhibit 16: Cash flow statement

₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Profit after Tax	2,505	2,797	3,297	3,946
Add: Depreciation	955	1,077	1,194	1,280
(Inc)/dec in Current Assets	-2,126	-1,216	-1,662	-1,727
Inc/(dec) in CL and Provisions	2,624	857	1,271	1,321
Others	612	592	456	297
CF from operating activities	4,571	4,107	4,555	5,117
(Inc)/dec in Investments	49	-20	-60	-60
(Inc)/dec in Fixed Assets	-2,605	-2,700	-1,200	-2,500
Others	-1,295	-22	-22	-21
CF from investing activities	-3,851	-2,742	-1,282	-2,581
Issue/(Buy back) of Equity	0	0	0	0
Inc/(dec) in loan funds	350	-750	-1,500	-1,500
Dividend & interest outgo	-859	-881	-785	-709
Inc/(dec) in Share Cap	0	0	0	0
Others	72	0	0	0
CF from financing activities	-438	-1,631	-2,285	-2,209
Net Cash flow	282	-266	988	328
Opening Cash	1,988	2,270	2,004	2,992
Closing Cash	2,270	2,004	2,992	3,320

Source: Company, ICICI Direct Research

Exhibit 17: Balance Sheet

₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Liabilities				
Equity Capital	165	165	165	165
Reserve and Surplus	16,523	19,033	22,000	25,534
Total Shareholders funds	16,688	19,197	22,165	25,699
Total Debt	6,298	5,548	4,048	2,548
Deferred Tax Liability	1,300	1,333	1,366	1,400
Minority Interest / Others	537	542	547	552
Total Liabilities	24,823	26,619	28,125	30,199
Assets				
Gross Block	19,000	22,000	23,700	24,700
Less: Acc Depreciation	5,109	6,186	7,379	8,660
Net Block	13,891	15,814	16,320	16,040
Capital WIP	1,783	1,483	983	2,483
Total Fixed Assets	15,674	17,297	17,303	18,523
Investments	2,556	2,626	2,736	2,846
Inventory	9,700	10,412	11,498	12,626
Debtors	3,107	3,471	3,833	4,209
Loans and Advances	450	483	533	586
Other Current Assets	1,717	1,824	1,989	2,159
Cash	2,270	2,004	2,992	3,320
Total Current Assets	17,244	18,194	20,844	22,899
Current Liabilities	9,140	9,834	10,859	11,924
Provisions	77	83	92	101
Current Liabilities & Prov	11,335	12,192	13,463	14,784
Net Current Assets	5,908	6,002	7,381	8,115
Others Assets	685	695	705	715
Application of Funds	24,823	26,619	28,125	30,199

Source: Company, ICICI Direct Research

Exhibit 18: Key ratios

(Year-end March)	FY25	FY26E	FY27E	FY28E
Per share data (₹)				
EPS	30.4	34.0	40.0	47.9
Cash EPS	42.0	47.0	54.5	63.5
BV	202.6	233.1	269.1	312.0
DPS	3.0	3.5	4.0	5.0
Cash Per Share	27.6	24.3	36.3	40.3
Operating Ratios (%)				
EBITDA Margin	11.9	12.4	12.5	12.9
PAT Margin	6.4	6.6	7.1	7.7
Inventory days	90.1	90.0	90.0	90.0
Debtor days	28.8	30.0	30.0	30.0
Creditor days	84.9	85.0	85.0	85.0
Return Ratios (%)				
RoE	14.8	14.4	14.8	15.3
RoCE	14.9	15.6	16.5	17.6
RoIC	17.9	17.9	19.3	21.9
Valuation Ratios (x)				
P/E	24.8	22.2	18.9	15.8
EV / EBITDA	14.2	12.6	10.8	9.3
EV / Net Sales	1.7	1.6	1.4	1.2
Market Cap / Sales	1.6	1.5	1.3	1.2
Price to Book Value	3.7	3.2	2.8	2.4
Solvency Ratios				
Debt/EBITDA	1.3	1.1	0.7	0.4
Debt / Equity	0.4	0.3	0.2	0.1
Current Ratio	1.6	1.6	1.6	1.6
Quick Ratio	0.5	0.6	0.6	0.6

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Shashank Kanodia, CFA, MBA (Capital Markets), Manisha Kesari (PGDM-Finance), authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agarwal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Bhavesh Soni Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report