

BSE SENSEX 78,206
S&P CNX 24,262

CMP: INR1214 **TP: INR1400 (+15%)** **Buy**



Stock Info

| | |
|-----------------------|---------------|
| Bloomberg | JSTL IN |
| Equity Shares (m) | 2445 |
| M.Cap.(INRb)/(USD\$b) | 2969.5 / 32.3 |
| 52-Week Range (INR) | 1285 / 905 |
| 1, 6, 12 Rel. Per (%) | 4/13/12 |
| 12M Avg Val (INR M) | 1932 |
| Free float (%) | 54.7 |

Financials Snapshot (INR b)

| Y/E MARCH | 2026 | 2027E | 2028E |
|--------------|-------|-------|-------|
| Sales | 1,840 | 2,133 | 2,319 |
| EBITDA | 304 | 417 | 476 |
| Adj. PAT | 82 | 176 | 222 |
| EPS Gr. (%) | 114.4 | 114.5 | 25.8 |
| BV/Sh. (INR) | 359 | 427 | 515 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | 0.9 | 0.7 | 0.5 |
| RoE (%) | 9.8 | 18.4 | 19.3 |
| RoCE (%) | 8.6 | 12.0 | 13.3 |
| Payout (%) | 10.0 | 4.8 | 3.9 |

Valuations

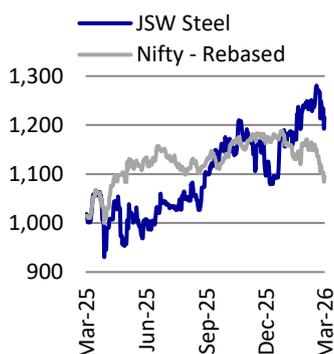
| | | | |
|----------------|------|------|------|
| P/E (x) | 32.1 | 16.9 | 13.4 |
| P/BV (x) | 3.2 | 2.9 | 2.4 |
| EV/EBITDA(x) | 12.1 | 8.9 | 7.6 |
| Div. Yield (%) | 0.3 | 0.3 | 0.3 |

Shareholding pattern (%)

| As On | Dec-25 | Sep-25 | Dec-24 |
|----------|--------|--------|--------|
| Promoter | 45.3 | 45.3 | 44.9 |
| DII | 11.6 | 11.4 | 11.1 |
| FII | 25.6 | 25.7 | 25.8 |
| Others | 17.6 | 17.6 | 18.2 |

FII Includes depository receipts

Stock performance (one-year)



Favorable macros to support margin recovery; long-term growth backed by capacity expansion

Volume growth through strategic capacity expansion

- JSW Steel (JSTL) has outlined a structured expansion roadmap targeting ~56MTPA crude steel capacity by FY31 (India ex-BPSL: 50MTPA). The 5MTPA integrated steel plant at Jagatsinghpur (Odisha) remains the cornerstone project, comprising BF, SMS, and HSM (900–2,150mm) with ~350MW CPP. The coastal location, with port connectivity and a slurry pipeline, ensures logistics efficiency. Phase-II scalability to 13.2MTPA is embedded upfront, lowering future capex intensity.
- The 5MTPA JVML facility is fully ramped up, and the BF-3 upgrade (shutdown initiated in end-Sep'25) will add ~1.5MTPA by 4QFY26, supporting incremental volumes from FY27 onward.
- The expansion of the Dolvi facility from 10MTPA to 15MTPA (capex ~INR210b; completion by Sep'27) is expected to strengthen the company's positioning in Western India and in export markets. Additionally, the 1MTPA EAF at Kadapa (INR38b; commissioning by FY29) will enhance the long-product portfolio and provide decarbonization optionality.
- The company plans ~INR1t of investment over 4–5 years (FY26 capex guided at INR150–160b; INR100b spent in 9MFY26), covering Odisha Phase-I, Dolvi Phase-III, downstream VAP, mining, and renewable energy (RE). Funding will be supported by internal accruals, INR320b proceeds from BPSL, and disciplined leverage management.

Cost leadership via resource optimization and raw material security

- The company is accelerating backward integration to structurally lower input volatility and support its ~50MTPA capacity target by FY31. Iron ore captive sourcing is expected to range in 30-40% in 2HFY26, with a long-term target of ~50%. Incremental iron ore volumes are expected from three Karnataka mines (~4mt from 1QFY27) and Goa mines (~3.7mt across FY26-27), while 2 x 8MTPA pellet plants in Odisha (by FY28) will further enhance integration.
- On coking coal, the company has secured domestic blocks in Jharkhand (2.2MTPA), which is expected to ramp up in 2-3 years. Internationally, the company has increased its stake to 30% in Illawarra Metallurgical Coal (~1.2MTPA offtake of PLV coal) and is pursuing the Minas de Revuboe project (Mozambique) to secure high-grade supplies, improving sourcing diversification.
- Logistics integration is being strengthened via a 302km (30MTPA) slurry pipeline by FY27, linking the Nuagaon mines to the Jagatsinghpur plant. Additionally, the company is developing the 30MTPA Jatadhar Port by FY27 to increase port throughput, along with expanding dedicated rail capacity.
- Additionally, renewable integration is scaling up, with ~1GW of installed capacity and Board approval for 2.5GW of RE capacity along with 320MWh of battery storage, supporting decarbonization and long-term energy cost optimization.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Premiumization through VASP portfolio enhancement

- JSTL continues to shift toward higher-margin value-added and special products (VASP), which contributed ~67% (ex-JVML) to 3QFY26 volume.
- At Vijayanagar, key downstream projects include a 0.4MTPA Continuous Galvanising Line (Jun'28 target) focused on high-strength automotive grades and a 0.55MTPA CRNO electrical steel plant (Mar'28 target). Additional expansions include tinplate and galvanized/galvalume capacities, along with EAF-based green steel projects.
- While current production at JVML Vijayanagar remains relatively higher upstream, the commissioning of downstream facilities will progressively increase the share of high-value products, strengthening margins.

Valuation and outlook

- We believe JSTL is well-placed with new capacities coming on-stream, strong domestic demand, and a rising share of value-added proportion in the sales mix. Its focus on increasing the captive share of iron ore and improving coal linkages will support earnings.
- Going forward, we estimate double-digit revenue growth over FY26-FY28, driven by the ramp-up of new capacity and price recovery led by safeguard duty. Further, as input costs are expected to remain steady, we believe EBITDA/t will rebound to ~INR13,500/t in FY27/28E on account of domestic steel price recovery, led by safeguard duty.
- Strong margins will enable JSTL to generate a strong CFO to fund the expansion plan of INR150-200b annually over FY26-29E. JSTL's net debt/EBITDA stood at 2.9x as of 3QFY26, which we expect to decline further by FY28, supported by robust operating performance.
- **At CMP, JSTL trades at 7.6x FY28E EV/EBITDA, and we reiterate our BUY rating on the stock with a TP of INR1,400 (premised on 9x EV/EBITDA on Sep'27 estimate).**

Story in Charts

Exhibit 1: Steady capacity addition will maintain headroom

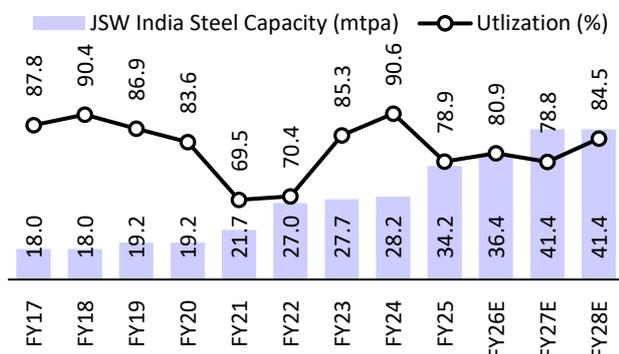


Exhibit 2: Sales volumes expected to hit ~30mt by FY27

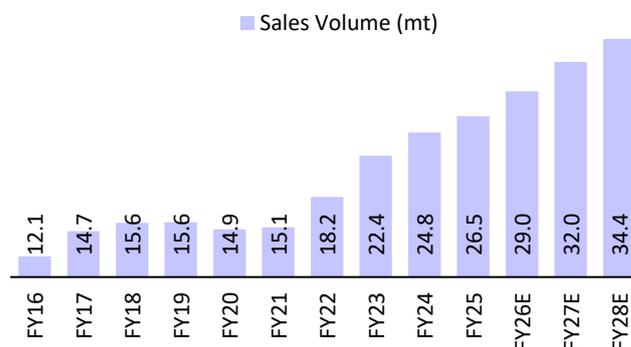


Exhibit 3: Consol. EBITDA/t is expected to rebound to INR13,000/t in FY27-28

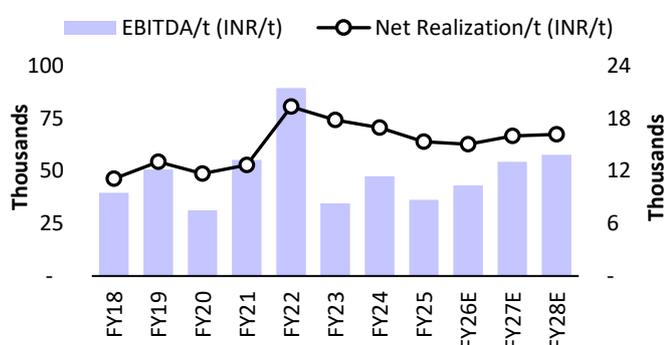


Exhibit 4: Domestic steel prices (INR/t) recovered in 4Q, supported by the definitive safeguard duty

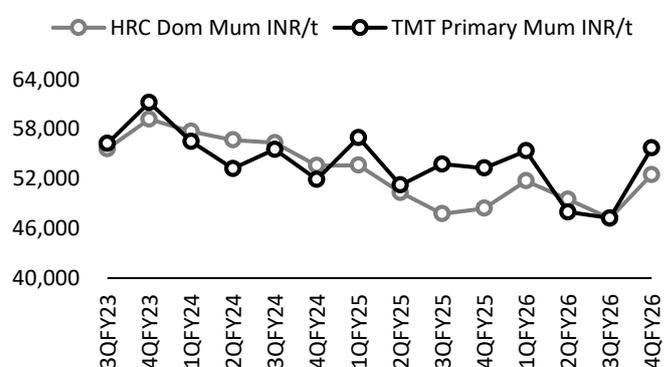


Exhibit 5: Input cost contributes 70% of overall cost

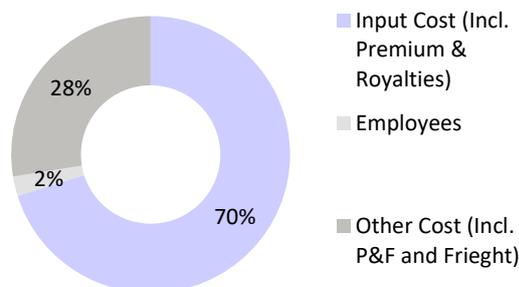


Exhibit 6: Costs for JSTL expanded at 5% CAGR over FY15-25

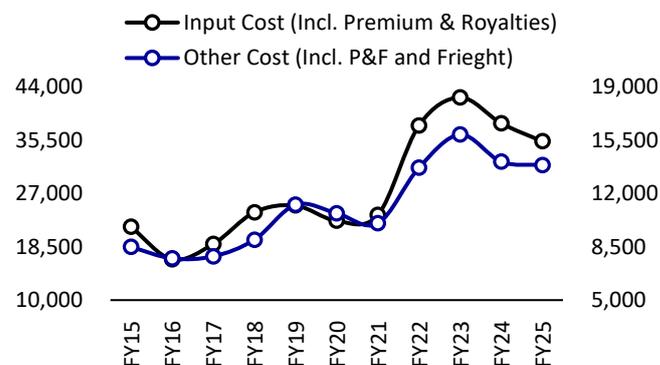


Exhibit 7: ROE (%) and ROCE (%) set to improve in FY26-28E

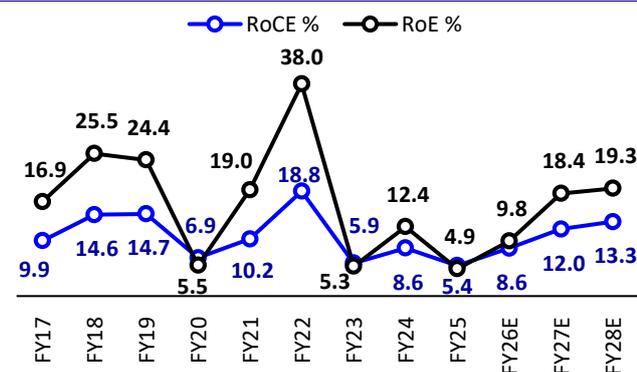
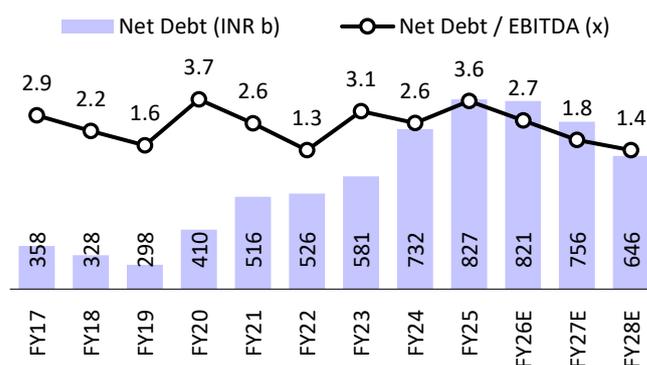


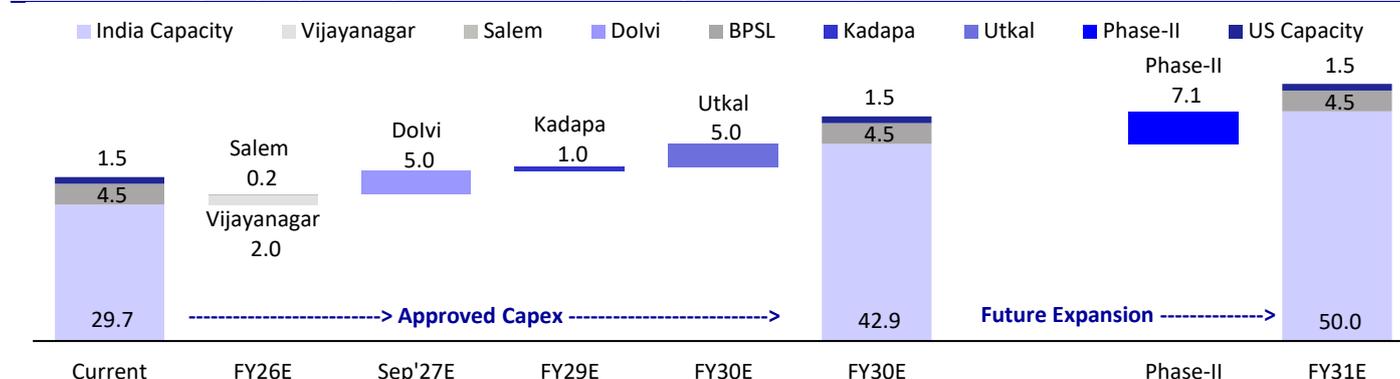
Exhibit 8: Net debt/EBITDA to decline below LTA 2.5x



Volume growth via strategic capacity expansion

- JSTL outlined an aggressive yet structured expansion and capital expenditure roadmap, targeting an overall capacity of ~56MTPA by FY31, with India capacity (ex-BPSL) reaching 50MTPA. This planned scale-up will support JSTL in delivering sustained volume growth in the long run.
- The company's growth strategy is anchored on the 5MTPA Greenfield integrated steel plant at Jagatsinghpur, Odisha. The project includes a blast furnace (5MTPA), steel melting shop (6MTPA), hot strip mill (6MTPA with a width range of 900-2,150mm), and a ~350MW captive power plant, and is strategically located near the coast with port connectivity and slurry pipeline infrastructure to ensure logistics efficiency. Importantly, the site has been designed to scale up to 13.2MTPA in Phase 2, with enabling infrastructure being built upfront to lower future expansion costs.

Exhibit 9: JSTL capacity expansion plan to 50MTPA in India by FY31 (ex-BPSL)

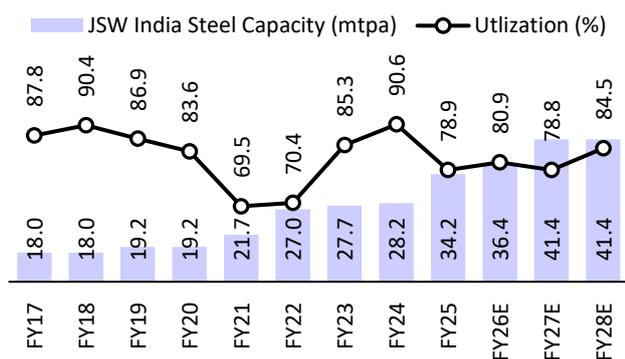


Note: Phase-II expansion is subject to board approval.

Source: MOFSL, Company

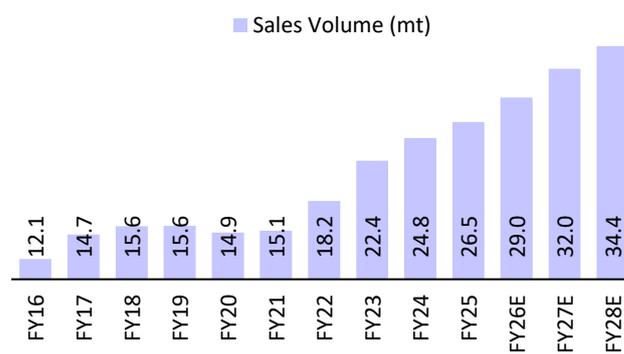
- The Vijayanagar complex remains a core growth engine, with the 5MTPA JVML facility ramped up fully and the BF-3 upgrade expected to add an incremental capacity of 1.5MTPA by 4QFY26. The planned shutdown and expansion of BF-3 commenced at the end of Sep'25 and is expected to support volume growth from FY27 onward.
- In parallel, Dolvi is being expanded from 10MTPA to 15MTPA at an estimated cost of ~INR210b, with completion expected by Sep'27. This project strengthens the company's western India footprint and enhances its ability to serve domestic and export markets through port-based advantages. Moreover, JSTL has planned to set up a 1MTPA EAF capacity at Kadapa (along with a section mill), entailing a total investment of INR38b and targeting commissioning by FY29.
- The company plans to invest nearly INR1t over the next 4–5 years, with FY26 capex guided at INR150-160b (INR100b already incurred in 9MFY26), covering Odisha Phase-I, Dolvi Phase-III, downstream value-added additions, mining development, and RE integration.
- Management highlighted that funding will be supported by internal accruals from higher volumes, proceeds from the BPSL transaction (INR320b cash inflow), and disciplined leverage management.

Exhibit 10: Steady capacity addition will maintain headroom



Source: MOFSL, Company

Exhibit 11: Sales volumes expected to hit ~30mt by FY27



Source: MOFSL, Company

Exhibit 12: JSTL plans to invest nearly INR1t over the next 4–5 years, with FY26 capex guided at INR150-160b

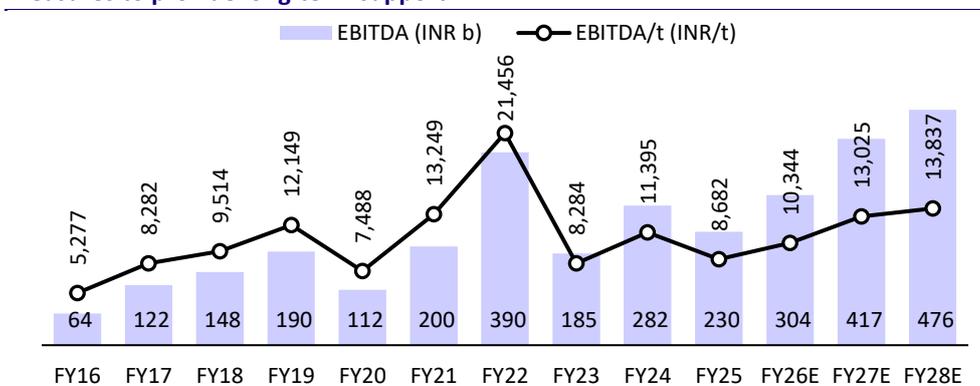
| Particulars | INR b | Comment |
|--|--------------|---|
| Capex carried forward as of Apr'25 (incl. creditors & acceptances) | 478 | ❖ Reduced INR19.8b for the transfer of the slurry pipeline to JSW Infra in FY25 |
| New projects approved since 1st Apr'25 | | |
| Dolvi 5 mtpa (additional facilities) | 32 | |
| Kadapa 1 mtpa EAF & section mill | 38 | |
| Odisha 5 mtpa ISP & enabling infrastructure | 316 | ❖ New approval |
| Mining & cost saving projects | 88 | ❖ Incl. approval of INR31.85b for Mozambique mine project-II |
| Value-added product facilities | 112 | ❖ Incl. approval of INR11.58b for 0.2MTPA Tinplate & 0.36MTPA CGL Rajpura |
| Sustenance capex | 48 | |
| Less: Capex spent (ex-capex acceptances of INR9.66b) during 9MFY26 | (100) | |
| Total Approved Capex | 1,012 | |

Source: MOFSL, Company

Cost leadership via resource optimization and improved raw material security

JSTL continues to strengthen its raw material security as a core pillar of its long-term cost competitiveness strategy. The company has guided to secure nearly 50% of its iron ore requirement from captive sources and around 25% of its coking coal needs through owned or long-term linked assets by FY31. This improved raw material integration, combined with logistics infrastructure such as slurry pipelines and port connectivity, will structurally lower conversion costs and strengthen EBITDA resilience during down cycles. While the immediate benefits of these cost-saving measures may be difficult to fully comprehend, in the long run, they are expected to position JSTL's Indian operations as a structural cost leader within the industry.

Exhibit 13: Near-to-medium term EBITDA/t to rebound over improved NSR; cost-saving measures to provide long-term support



Source: MOFSL, Company

Optimizing raw material sourcing and security

Iron ore:

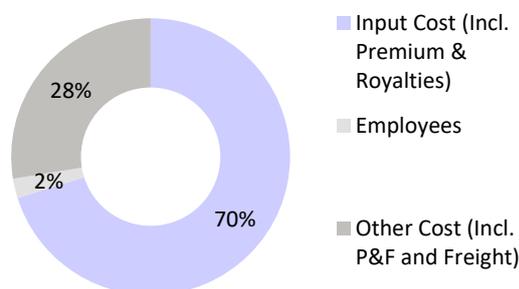
- JSTL has secured ~23 iron ore mines, totaling ~1.62bt in reserves. Of this, the company operated 12 captive mines (nine in Karnataka and three in Odisha) as of 2QFY26, with captive iron ore contributing ~30% of total requirements.
- The sourcing mix is likely to range in 30-40% in 2HFY26, and annualized captive sourcing could reach ~23mt (~36% of the total iron ore requirement). In the longer run, the company targets captive sourcing to reach ~50%, reducing external supplier dependency and mitigating price fluctuations.
- Additional volumes are expected from three new Karnataka mines starting in 1QFY27 (~4mt) and three Goa mines (Kundam mine to start in 3QFY26 and Sulla/Kodli mines by 2HFY27), contributing about 3.7MT over FY26-27. At the Odisha expansion, the company has planned 2 x 8MTPA pellet plants, expected to be commissioned by FY28, which will enhance raw material integration and efficiency.

Coking coal:

- On coking coal, while India remains structurally import-dependent, the company continues to diversify sourcing geographies. JSTL's portfolio includes three coking coal mines in Jharkhand - Moitra Coal Block (1MTPA), Parbatpur Central Coal Mine (0.9MTPA), and Sitanala Coal Mine (0.3MTPA), expected to be operational progressively over the next 2-3 years.

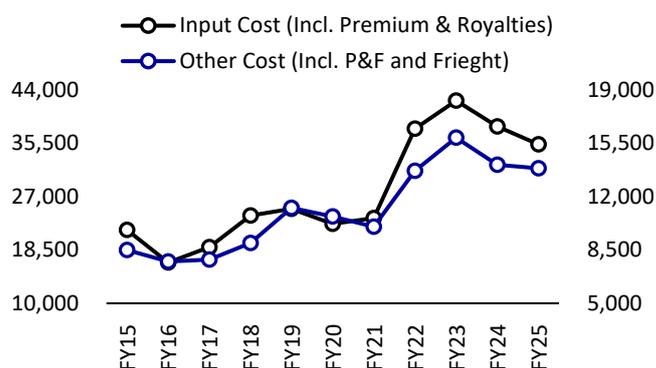
- In addition, it has secured 2.06MTPA of long-term coking coal linkage and washery plant (Dugda coal washery), with a 2MTPA of fuel supply agreement linkage.
- Internationally, it has increased its stake in the Irawara coking coal asset in Australia to 30% from 20%, ensuring proportional offtake of premium low volatile (PLV) coal. Illawarra Metallurgical Coal owns and operates two metallurgical coal mines in New South Wales, Australia – the Appin and Dendrobium mines combined have an annual estimate offtake capacity of ~1.2MTPA.
- Further, the company is in the process of acquiring the Minas de Revubòe project in Mozambique to secure high-grade coal supplies.

Exhibit 14: Input cost contributes 70% of the overall cost



Source: MOFSL, Company

Exhibit 15: Major cost for JSTL grew at 5% CAGR over FY15-25



Source: MOFSL, Company

Enhancing logistics efficiency via slurry pipelines, port handling capacity, and railway logistics

- Optimizing logistics will be critical for a cost competitiveness strategy, especially as the company is scaling toward ~50MTPA capacity by FY31.
- A key initiative is the 302-km slurry pipeline (with 30MTPA capacity) development, connecting Nuagaon Mine iron ore mines to the upcoming Jagatsinghpur, Odisha, steel plant, which is targeted for commissioning by FY27. Slurry pipelines typically offer lower per-ton transportation costs and improved reliability during peak seasons compared to conventional modes.
- The Odisha steel plant (expansion target till 13.2MTPA) offers strong logistical advantages due to its proximity to the coast, with the 30MTPA Jatadhar Port currently under development and targeted to be operational by FY27.
- JSTL already uses multiple ports for its operations and plans to increase handling capacity at ports via higher throughput capacity for iron ore, coking coal, and finished steel. Similarly, the company plans to expand the rail rake fleet by increasing dedicated rail rakes. It is also setting up dedicated railway sidings at plant locations to leverage DFC and operational/cost efficiency.

RE integration to reduce carbon footprint and operational costs

- JSTL is actively integrating RE into its operations to reduce its carbon footprint and support its decarbonization roadmap.
- As of 3QFY26, the company had installed 1GW of RE capacity, and the Board has approved a total of 2.5GW of renewable generation capacity, along with 320 MWh of battery storage capacity, to improve grid stability and energy dispatch flexibility.

Premiumization through value-added portfolio enhancement

- In addition to ongoing expansion plans, the company indicated several downstream and supporting projects to increase the share of VASP. In 3Q, value-added products contributed ~61% of total sales volume, reflecting a continued shift toward higher-margin segments such as automotive steel, coated products, electrical steel, tinplate, and specialty grades.
- At Vijayanagar, a 0.4MTPA Continuous Galvanising Line focused on high-strength automotive grade steel is under implementation, with commissioning expected by Jun'28, along with a 0.55MTPA CRNO (Cold Rolled Non-Oriented) electrical steel plant expected by Mar'28.
- Further, downstream investments include tinplate and galvanized/galvalume capacity expansions, as well as EAF-based projects aimed at producing greener steel. The strategy is to move up the value chain by increasing exposure to advanced high-strength steel (AHSS), automotive outer panels, appliance-grade steel, and RE applications.
- Management also noted that at JVML Vijayanagar, while volume contribution has been improving, the current production mix includes more upstream products until downstream facilities are fully commissioned, which will increase the share of high-value items over time.

Exhibit 16: In 3Q, VASP share stood at 61% of total sales (vs 67% Ex-JVML volume)

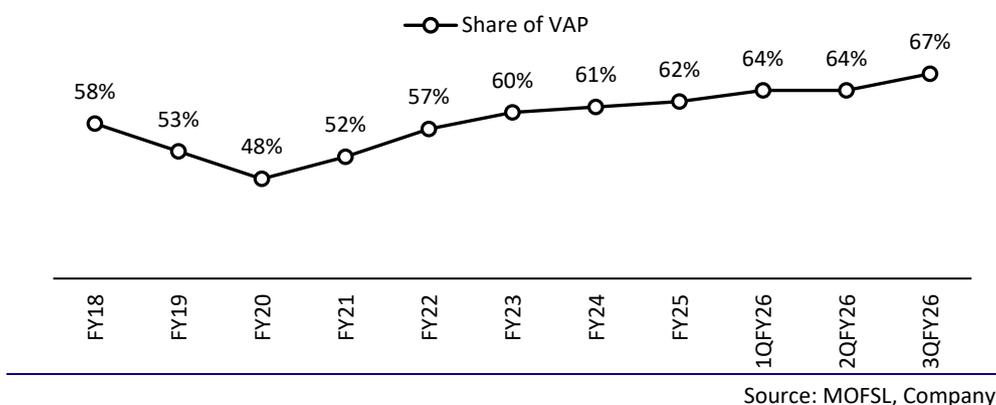


Exhibit 17: Branded product contribution to total retail sales

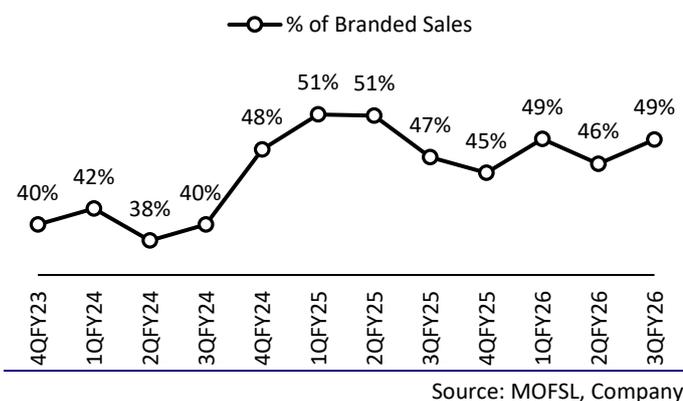
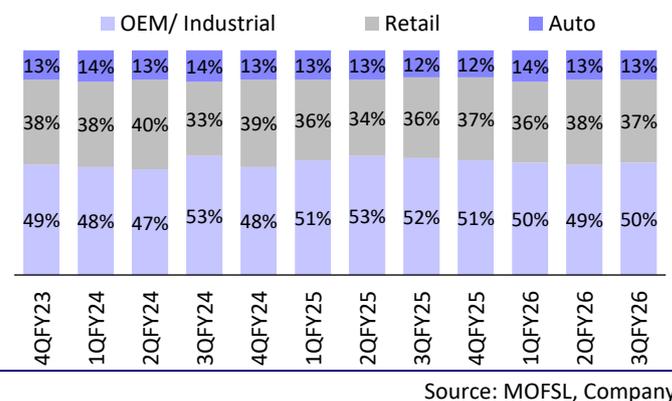


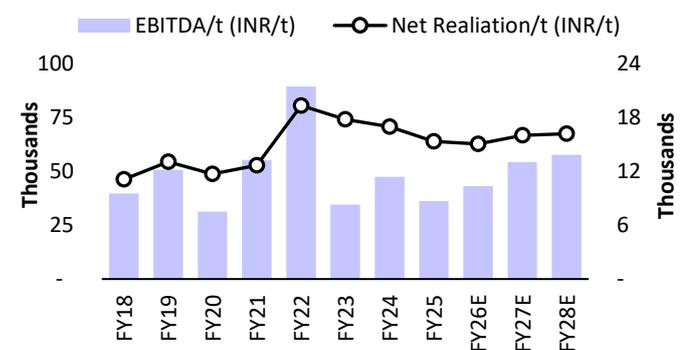
Exhibit 18: OEM/Industrial to remain the major contributor



Valuation and view

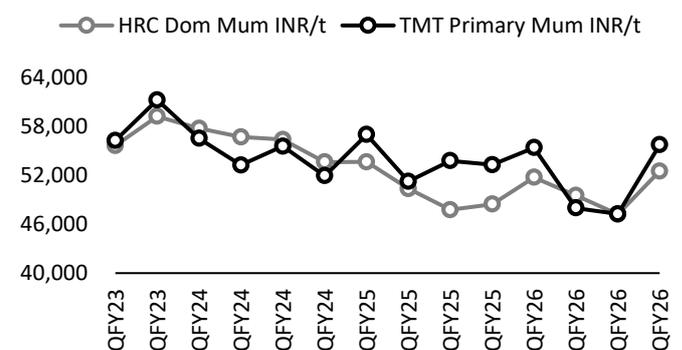
- Domestic HRC prices recovered from INR47,500/t in 3QFY26 to INR53,500/t in Feb'25, as the government announced a definitive 12% safeguard duty for three years. Prices of China's landed steel in India are currently at a 6% premium to domestic steel prices on account of the safeguard duty. Therefore, we expect domestic steel prices to remain steady for the next three years, supported by the safeguard duty. In 3QFY26, JSTL standalone reported EBITDA of INR7,616/t, led by muted NSR. Management commentaries during 3QFY26 have indicated a significant price recovery in 4Q, marginally offset by a rise in input costs.
- JSTL is well-positioned to benefit from India's strong domestic growth story through its ongoing capacity expansion and product diversification strategies. Going forward, double-digit revenue growth is anticipated over FY26-28E, driven by the ramp-up of new capacity and price recovery. Further, as input costs are expected to rise steadily, we believe EBITDA will rebound ~INR10,500/t in FY26E and ~INR13,500/t in FY28E on account of domestic steel price recovery.
- With healthy volume growth, better realization, and steady input costs, EBITDA is expected to clock a ~27% CAGR over FY25-28. This will help JSTL generate a strong CFO of INR950b, which can be utilized to fund the expansion plans of INR200b each during FY26-28E and any deleveraging efforts. JSTL's net debt/EBITDA stood at 2.91x as of 3QFY26, which we expect to decline further by FY28, supported by robust operating performance.
- **At CMP, JSTL trades at 7.6x FY28E EV/EBITDA, and we reiterate our BUY rating on the stock with a TP of INR1,400 (premised on 9x EV/EBITDA on Sep'27).**

Exhibit 19: Consol. EBITDA/t is expected to rebound to INR13,000/t in FY27-28E



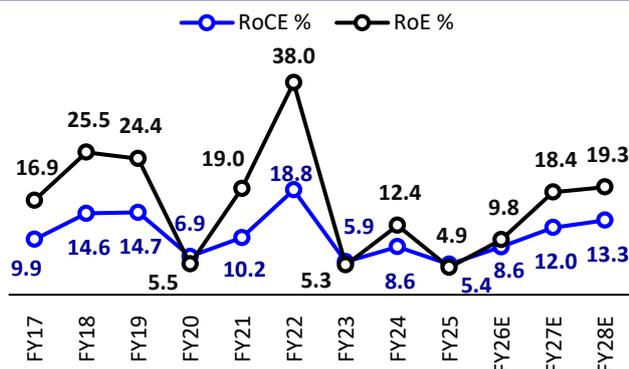
Source: MOFSL, Company

Exhibit 20: Domestic steel prices (INR/t) recovered in 4Q, supported by definitive safeguard duty



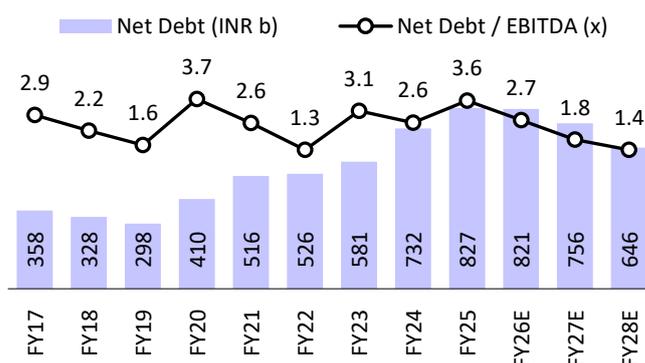
Source: MOFSL, BigMint

Exhibit 21: RoE (%) and RoCE (%) set to improve in FY26/27E



Source: MOFSL, Company

Exhibit 22: Net debt/EBITDA to decline below LTA 2.5x



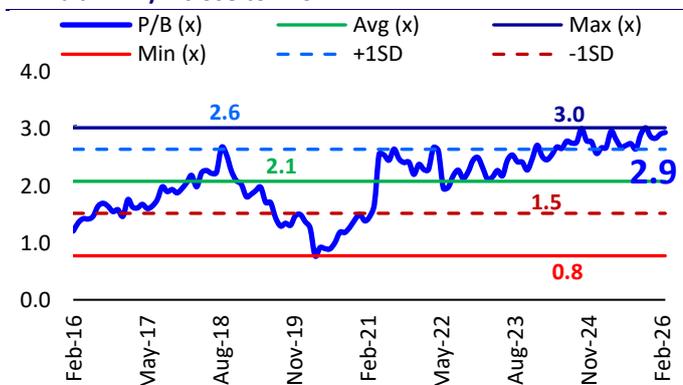
Source: MOFSL, Company

Exhibit 23: TP calculation

| Y/E March | Sep'27E |
|------------------------------------|--------------|
| Consolidated Volumes (mt) | 33.2 |
| EBITDA/t (INR) | 13,446 |
| Consolidated EBITDA (INR b) | 446 |
| Target EV/EBITDA (x) | 9.0 |
| Target EV (INR b) | 4,018 |
| less: Net Debt (INR b) | 701 |
| Equity value (INR b) | 3,318 |
| No. of shares (b) | 2.44 |
| Equity value /sh. | 1,400 |

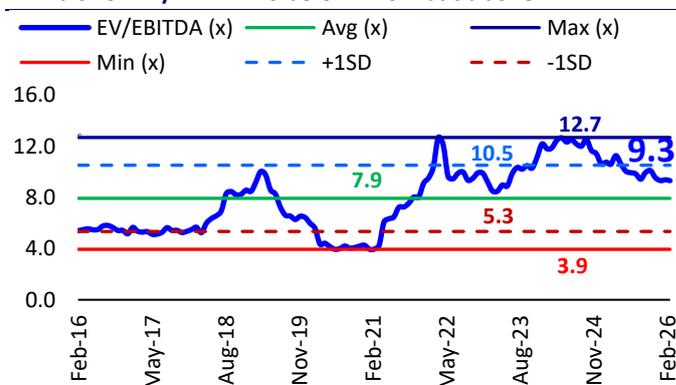
Source: MOFSL

Exhibit 24: P/B close to +1SD



Source: MOFSL, Company Data

Exhibit 25: EV/EBITDA is below +1SD but above LTA



Source: MOFSL, Company Data

Financials and valuations

| Income statement (consolidated) | | | | | | (INR b) | | |
|--|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
| Net sales | 796 | 1,464 | 1,660 | 1,750 | 1,688 | 1,840 | 2,133 | 2,319 |
| Change (%) | 9.6 | 83.9 | 13.4 | 5.5 | (3.5) | 9.0 | 16.0 | 8.7 |
| Total Expenses | 596 | 1,074 | 1,474 | 1,468 | 1,459 | 1,536 | 1,716 | 1,843 |
| EBITDA | 200 | 390 | 185 | 282 | 230 | 304 | 417 | 476 |
| % of Net Sales | 25.1 | 26.6 | 11.2 | 16.1 | 13.6 | 16.5 | 19.6 | 20.5 |
| Deprn. & Amortization | 47 | 60 | 75 | 82 | 93 | 99 | 103 | 106 |
| EBIT | 153 | 330 | 111 | 201 | 137 | 205 | 314 | 370 |
| Net Interest | 40 | 50 | 69 | 81 | 84 | 93 | 82 | 75 |
| Other income | 6 | 15 | 10 | 10 | 7 | 12 | 14 | 15 |
| PBT before EO | 119 | 296 | 52 | 130 | 59 | 124 | 247 | 310 |
| EO income | (1) | 7 | (6) | (6) | 5 | 3 | - | - |
| PBT after EO | 120 | 288 | 58 | 136 | 54 | 121 | 247 | 310 |
| Tax | 41 | 88 | 15 | 44 | 16 | 30 | 70 | 88 |
| Rate (%) | 34.5 | 30.6 | 26.2 | 32.5 | 29.4 | 24.4 | 28.5 | 28.5 |
| PAT before MI and Asso. | 79 | 200 | 43 | 91 | 38 | 92 | 176 | 222 |
| Minority interests | (0) | 3 | (0) | 2 | (0) | 3 | - | - |
| Share of Associates | 0 | 9 | (1) | (2) | (3) | (3) | - | - |
| Reported PAT after MI and Asso. | 79 | 207 | 41 | 88 | 35 | 85 | 176 | 222 |
| Adj. PAT (after MI & Asso) | 78 | 214 | 36 | 90 | 38 | 82 | 176 | 222 |
| Change (%) | 297.8 | 173.3 | (83.4) | 152.8 | (57.3) | 114.4 | 114.5 | 25.8 |

| Balance sheet | | | | | | (INR b) | | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
| Share Capital | 3.0 | 3.0 | 3.0 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 |
| Reserves | 453 | 670 | 654 | 774 | 792 | 872 | 1,040 | 1,253 |
| Net Worth | 456 | 673 | 657 | 777 | 795 | 875 | 1,043 | 1,256 |
| Minority Interest | (6) | 12 | 13 | 21 | 22 | 22 | 22 | 22 |
| Total Loans | 644 | 700 | 788 | 856 | 960 | 922 | 833 | 761 |
| Deferred Tax Liability | 35 | 76 | 79 | 97 | 95 | 95 | 95 | 95 |
| Capital Employed | 1,129 | 1,461 | 1,538 | 1,750 | 1,871 | 1,914 | 1,993 | 2,134 |
| Gross Block | 828 | 1,231 | 1,338 | 1,483 | 1,683 | 1,833 | 1,983 | 2,133 |
| Less: Accum. Deprn. | 223 | 282 | 343 | 411 | 495 | 594 | 697 | 803 |
| Net Fixed Assets | 605 | 949 | 995 | 1,072 | 1,188 | 1,239 | 1,286 | 1,330 |
| Capital WIP | 370 | 219 | 271 | 349 | 267 | 292 | 317 | 342 |
| Investments | 138 | 143 | 163 | 215 | 245 | 245 | 245 | 245 |
| Curr. Assets | 359 | 654 | 682 | 645 | 707 | 696 | 716 | 803 |
| Inventory | 142 | 338 | 331 | 378 | 350 | 373 | 405 | 444 |
| Account Receivables | 45 | 75 | 71 | 75 | 84 | 82 | 93 | 104 |
| Cash and Bank Balance | 128 | 174 | 207 | 123 | 133 | 100 | 77 | 115 |
| Others | 43 | 67 | 72 | 68 | 141 | 141 | 141 | 141 |
| Curr. Liability & Prov. | 343 | 504 | 573 | 532 | 536 | 559 | 572 | 587 |
| Account Payables | 152 | 309 | 125 | 157 | 120 | 143 | 156 | 171 |
| Provisions & Others | 190 | 195 | 448 | 375 | 416 | 416 | 416 | 416 |
| Net Current Assets | 16 | 150 | 109 | 113 | 171 | 138 | 144 | 217 |
| Appl. of Funds | 1,129 | 1,461 | 1,538 | 1,750 | 1,871 | 1,914 | 1,993 | 2,134 |

Financials and valuations

Ratios

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | | |
| EPS | 32.5 | 89.2 | 14.8 | 36.8 | 15.7 | 33.7 | 72.2 | 90.8 |
| Cash EPS | 52.1 | 112.2 | 48.4 | 70.3 | 52.5 | 76.9 | 114.4 | 134.4 |
| BV/Share | 189.3 | 280.4 | 273.7 | 318.3 | 325.8 | 358.6 | 427.4 | 514.7 |
| DPS | 6.5 | 17.4 | 3.4 | 7.3 | 2.8 | 3.5 | 3.5 | 3.5 |
| Payout (%) | 19.8 | 20.2 | 19.7 | 20.2 | 19.5 | 10.0 | 4.8 | 3.9 |
| Valuation (x) | | | | | | | | |
| P/E | 6.9 | 3.2 | 37.5 | 17.8 | 76.9 | 32.1 | 16.9 | 13.4 |
| Cash P/E | 4.3 | 2.5 | 13.4 | 9.3 | 21.0 | 15.1 | 10.7 | 9.1 |
| P/BV | 1.2 | 1.0 | 2.4 | 2.1 | 3.4 | 3.2 | 2.9 | 2.4 |
| EV/Sales | 1.3 | 0.8 | 1.3 | 1.3 | 2.1 | 2.0 | 1.7 | 1.6 |
| EV/EBITDA | 5.3 | 3.1 | 11.5 | 8.3 | 15.3 | 12.1 | 8.9 | 7.6 |
| Dividend Yield (%) | 2.9 | 6.1 | 0.5 | 1.1 | 0.3 | 0.3 | 0.3 | 0.3 |
| Return Ratios (%) | | | | | | | | |
| EBITDA Margins (%) | 25.1 | 26.6 | 11.2 | 16.1 | 13.6 | 16.5 | 19.6 | 20.5 |
| Net Profit Margins (%) | 9.8 | 14.6 | 2.1 | 5.1 | 2.3 | 4.5 | 8.3 | 9.6 |
| RoE | 19.0 | 38.0 | 5.3 | 12.4 | 4.9 | 9.8 | 18.4 | 19.3 |
| RoCE (pre-tax) | 10.2 | 18.8 | 5.9 | 8.6 | 5.4 | 8.6 | 12.0 | 13.3 |
| RoIC (pre-tax) | 12.6 | 19.8 | 7.2 | 10.4 | 6.4 | 9.1 | 13.0 | 14.0 |
| Working Capital Ratios | | | | | | | | |
| Fixed Asset Turnover (x) | 0.8 | 1.3 | 1.3 | 1.2 | 1.2 | 1.2 | 1.3 | 1.4 |
| Asset Turnover (x) | 0.5 | 0.7 | 0.8 | 0.8 | 0.7 | 0.7 | 0.8 | 0.9 |
| Debtor (Days) | 22 | 19 | 17 | 16 | 17 | 17 | 17 | 17 |
| Inventory (Days) | 84 | 105 | 96 | 88 | 91 | 91 | 91 | 91 |
| Creditors(Days) | 101 | 76 | 53 | 34 | 35 | 35 | 35 | 35 |
| Working Capital (Days) | 5 | 48 | 60 | 69 | 73 | 73 | 73 | 73 |
| Leverage Ratio (x) | | | | | | | | |
| Current Ratio | 1.0 | 1.3 | 1.2 | 1.2 | 1.3 | 1.2 | 1.3 | 1.4 |
| Interest Cover Ratio | 3.9 | 6.6 | 1.6 | 2.5 | 1.6 | 2.2 | 3.9 | 5.0 |
| Debt/Equity | 1.1 | 0.8 | 0.9 | 0.9 | 1.0 | 0.9 | 0.7 | 0.5 |

Cash flow statement (consolidated)

(INR b)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| EBITDA | 200 | 390 | 185 | 282 | 230 | 304 | 417 | 476 |
| Non cash exp. (income) | 13 | (73) | 31 | (136) | (7) | 1 | (30) | (35) |
| (Inc)/Dec in Wkg. Cap. | (19) | (54) | (6) | (28) | (20) | (30) | (70) | (88) |
| Tax Paid | (5) | (1) | 23 | 2 | 6 | (6) | - | - |
| CF from Op. Activity | 188 | 263 | 233 | 121 | 209 | 270 | 317 | 353 |
| (Inc)/Dec in FA + CWIP | (176) | (106) | (151) | (202) | (266) | (175) | (175) | (175) |
| (Pur)/sale of Invest. | (3) | (1) | 0 | 36 | 63 | - | - | - |
| Acquisition in subs. | - | - | - | - | - | - | - | - |
| Int. & Dividend Income | 6 | 6 | 11 | 9 | 7 | 12 | 14 | 15 |
| Others | 74 | (59) | 33 | 10 | 26 | - | - | - |
| CF from Inv. Activity | (98) | (160) | (107) | (146) | (170) | (163) | (161) | (160) |
| Equity raised/(repaid) | 0 | - | - | - | - | - | - | - |
| Debt raised/(repaid) | 33 | (80) | 51 | 39 | 91 | (38) | (89) | (72) |
| Dividend (incl. tax) | (43) | (51) | (69) | (81) | (88) | (93) | (82) | (75) |
| Interest paid | (5) | (16) | (42) | (8) | (5) | (9) | (9) | (9) |
| Other financing | - | - | - | - | - | - | - | - |
| CF from Fin. Activity | (14) | (147) | (60) | (50) | (3) | (139) | (179) | (155) |
| (Inc)/Dec in Cash | 76 | (44) | 66 | (76) | 36 | (33) | (23) | 38 |
| Add: opening Balance | 40 | 119 | 88 | 154 | 80 | 117 | 84 | 61 |
| Regrouping / transaction Adj. | 4 | 12 | (0) | 2 | (0) | - | - | - |
| Closing cash balance | 119 | 88 | 154 | 80 | 117 | 84 | 61 | 99 |
| Bank Balance | 9 | 86 | 53 | 43 | 16 | 16 | 16 | 16 |
| Closing Balance (incl. bank balance) | 128 | 174 | 207 | 123 | 133 | 100 | 77 | 115 |

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|----------------------------------|--|
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| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
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