

## Capacity expansion takes center-stage after strong quarter

Metals &amp; Mining ▶ Result Update ▶ May 15, 2026

CMP (Rs): 1,299 | TP (Rs): 1,400

JSTL reported broadly in-line EBITDA of Rs86.3bn (+33% QoQ), supported by stronger realizations and volume growth, while net debt/EBITDA improved to 1.8x. Key highlight of the quarter was the management's accelerated expansion roadmap, increasing capacity target to 62mt by FY32 (vs 50mt earlier) along with an additional 16mt through JVs with JFE and POSCO, backed by a Rs1.26trn capex pipeline, improving raw material integration, and healthy cash-flow generation. Factoring in safeguard-duty led pricing support and incremental volume from BMM and BF3 ramp-up, we raise FY27/28E EBITDA by 3/9% while increasing our TP by ~8% to Rs1,400 from Rs1,300; reiterate ADD.

## Firm realizations support strong quarter

JSTL reported consolidated EBITDA of Rs86.3bn in Q4, largely in line with expectations (up 2.5% vs Emkay; 1.3% vs consensus; 32.9% QoQ). The sequential improvement was mainly driven by a strong pricing environment and 4.3% QoQ increase in sales volume to 8mt, which was partly offset by higher coking coal costs. Consolidated EBITDA/t stood at Rs10,833 in Q4, at a 27.4% QoQ increase and in line with market expectations. Net debt declined to Rs538.7bn, driven by structural deleveraging by the BPSL transaction, while net debt-to-EBITDA declined to 1.81x in 4QFY26 vs 2.91x in 3QFY26. JSTL has declared a dividend of Rs7.1/share for FY26.

## Disciplined scale-up, through strong cash flows and integration

JSTL has outlined an accelerated growth roadmap, raising its domestic steelmaking capacity target to 62mt by FY32 (50mt by FY31, earlier), mainly led by brownfield expansions across existing assets. Key projects include Vijayanagar ramp-up to 25mt, Dolvi expansion to 15mt, and the first 5mt phase at Utkal by FY30, alongside pellet, slurry pipeline, and downstream value-added capacity adds. Further, JVs with JFE and POSCO are expected to add 16mt by FY32, taking aggregate India capacity (incl JVs) to 78mt. The expansion is being backed by higher RM integration, with the mgmt targeting ~50% captive sourcing for both iron ore and coking coal via higher ownership in the Illawarra coal asset and additional Goa iron-ore capacity. JSW has approved a Rs1.26trn capex pipeline over the next 4-5Y, while maintaining balance-sheet discipline with net debt/EBITDA target of <2.5x. Given JSTL's strong execution track record and phased commissioning approach, we view the expansion strategy positively, with incremental growth expected to be aided by healthy operating cash flow generation over the cycle.

## Earnings outlook improves on stronger volumes and pricing support

We expect JSTL earnings to strengthen over FY27-28E, supported by a favorable pricing environment aided by safeguard duty and 9% volume growth in FY27; this would be driven by incremental contributions from BMM and ramp-up of BF-3 from Q2 onward. Accordingly, we raise our FY27/28 EBITDA estimates by 3%/9% to Rs355bn/Rs417bn, respectively, and increase our TP by 7.7% to Rs1,400 from Rs1,300; reiterate ADD.

Target Price – 12M	Mar-27
Change in TP (%)	7.7
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	7.8

Stock Data	JSTL IN
52-week High (Rs)	1,307
52-week Low (Rs)	962
Shares outstanding (mn)	2,445.5
Market-cap (Rs bn)	3,175
Market-cap (USD mn)	33,157
Net-debt, FY27E (Rs mn)	560,792.4
ADTV-3M (mn shares)	1.8
ADTV-3M (Rs mn)	2,331.9
ADTV-3M (USD mn)	24.3
Free float (%)	54.7
Nifty-50	23,689.6
INR/USD	95.8

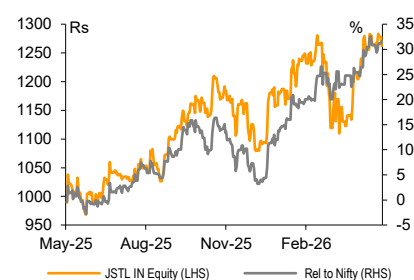
## Shareholding, Mar-26

Promoters (%)	45.3
FPIs/MFs (%)	25.4/11.2

## Price Performance

(%)	1M	3M	12M
Absolute	7.8	5.4	31.3
Rel. to Nifty	8.5	13.3	36.7

## 1-Year share price trend (Rs)



## JSW Steel: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	1,688,240	1,854,700	1,916,055	2,057,567	2,333,131
EBITDA	229,040	298,210	355,078	416,805	453,267
Adj. PAT	39,930	50,140	127,236	162,908	183,834
Adj. EPS (Rs)	16.4	20.5	52.1	66.7	75.3
EBITDA margin (%)	13.6	16.1	18.5	20.3	19.4
EBITDA growth (%)	(18.9)	30.2	19.1	17.4	8.7
Adj. EPS growth (%)	(51.7)	25.5	153.8	28.0	12.8
RoE (%)	5.1	5.6	12.1	14.0	14.2
RoIC (%)	8.1	11.0	14.0	14.4	13.2
P/E (x)	90.4	14.2	24.9	19.5	17.2
EV/EBITDA (x)	17.4	13.4	11.3	9.6	8.8
P/B (x)	4.0	3.2	2.9	2.6	2.3
FCFF yield (%)	2.1	2.6	(3.2)	(0.8)	0.6

Source: Company, Emkay Research

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## Key takeaways from the conference call

### Capacity expansion/growth roadmap

- Standalone India steelmaking capacity target increased to 62mt by FY32 (vs 50mt by FY31, earlier).
- Additional 16mt capacity to come through JVs with JFE Steel and POSCO, taking aggregate India capacity to 78mt by FY32.

### Capex/balance sheet

- Approved growth capex pipeline stands at Rs1.26trn over the next 4-5 years; FY27 capex guided at Rs220-240bn.
- The management indicated cumulative capex, including JVs/mining, could rise to Rs2.2-2.3trn through to FY33.
- The management lowered leverage ceiling to 3.0x (vs 3.75x earlier) and reiterated comfort below 2.5x through the cycle.
- Incremental capex expected to be largely supported by operating cash flows and phased commissioning-led EBITDA ramp-up.

### Project updates

- Vijayanagar BF-3 expansion (from 3mt to 4.5mt) under commissioning; ramp-up expected from Q2FY27 onward.
- Dolvi Phase-III expansion, from 10mt to 15mt, remains on track for Sep-27 completion.
- Utkal Odisha: two pellet plants targeted by FY28; first 5mt steel phase by FY30. The Odisha 30mt slurry pipeline expected to be commissioned by FY27. The Kadapa 1mt structural mill targeted for commissioning by FY29.
- 3mt downstream/value-added capacity additions planned across galvanized, electrical steel, tinplate, and structural products.

### Raw material integration/mining

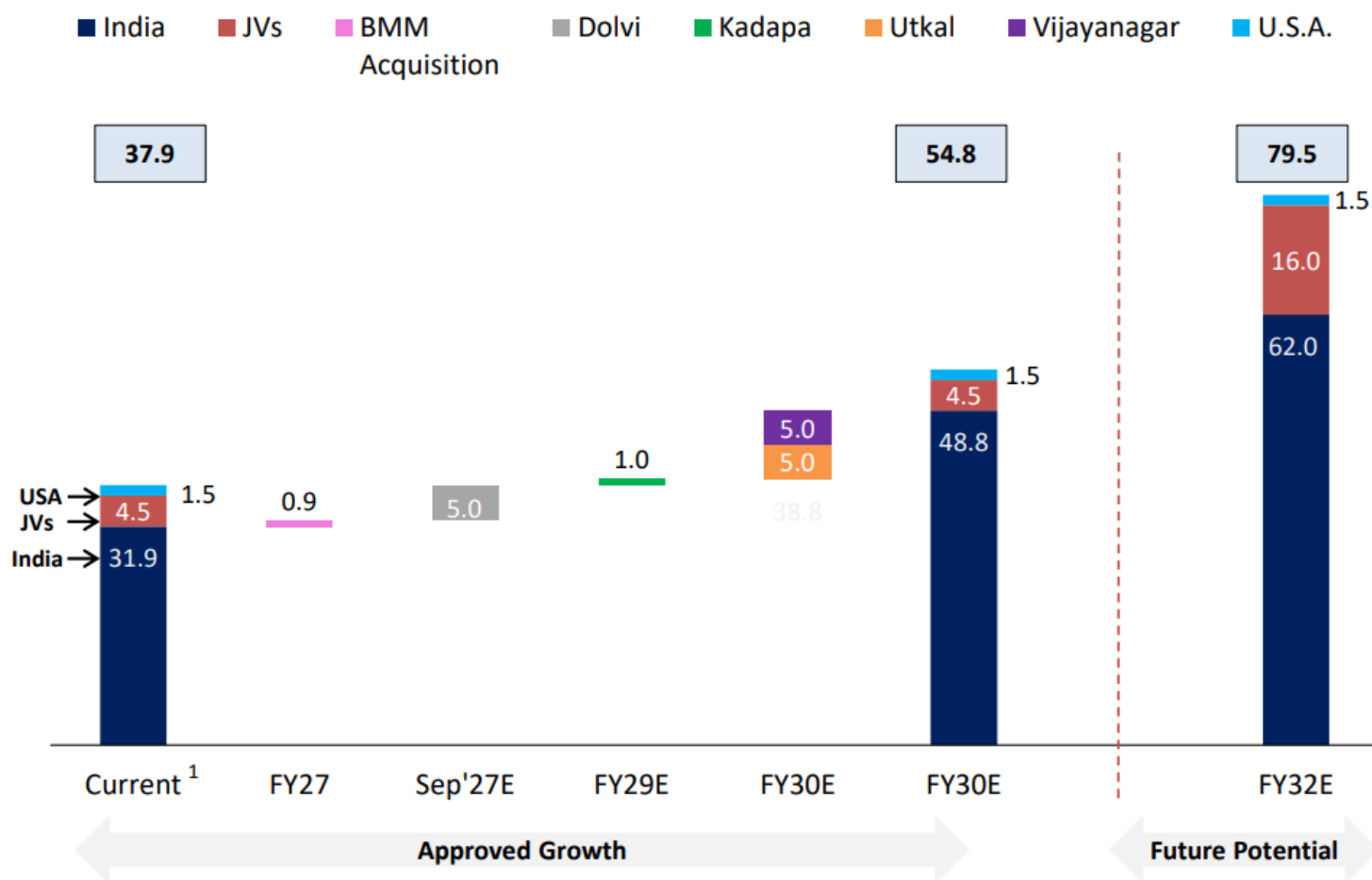
- The management now targets ~50% captive integration for both iron ore and coking coal by FY31 (vs 50% iron ore and 25% coking coal, earlier).
- Effective stake in Illawarra coking coal mine increased, from 20% to 30%; MDR Mozambique coking coal acquisition completed.
- One new Goa iron-ore mine operationalized and another won recently; currently holds 25 iron-ore mines.
- Mozambique mine production target at ~5mt usable coking coal in the 1<sup>st</sup> phase by CY28.

### FY27 guidance

- FY27 consolidated steel production guidance at 29.75mt and sales guidance at 28.6mt (including BMM volumes).
- The management expects ~10% sales growth and ~13% production growth on an adjusted basis.
- Coking coal costs expected to increase by USD12-15/t in Q1FY27.
- Q1 realizations expected to improve further, as the remaining benefit of steel price hikes flows through.
- The management expects domestic steel prices to be range-bound, albeit structurally supported by safeguard duties and improving demand-supply dynamics.

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions.com)

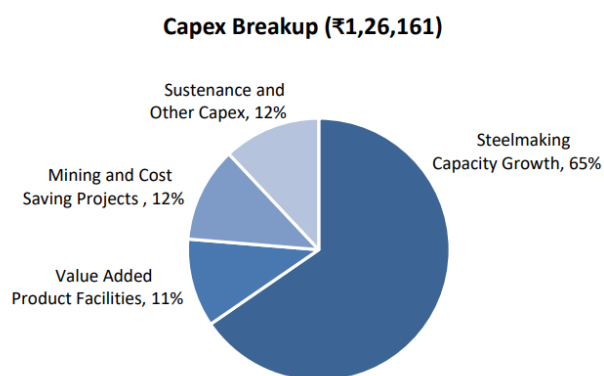
Exhibit 1: JSTL's capacity expansion plan



Source: Company, Emkay Research

Exhibit 2: JSTL's capex layout to be spent over the next 4-5 years

Particulars	₹ Cr
Capex carried forward as on 1 <sup>st</sup> April 2026 (including Creditors and Acceptances)	96,888 <sup>1</sup>
New Projects approved since 1 <sup>st</sup> April 2026:	
Steelmaking:	
JVML Phase-2 capacity expansion of 5mtpa	26,000
Sustenance Capex	3,272
<b>Total</b>	<b>1,26,161</b>



Note: The above capex will be spent over 4-5 years.  
Capex spent during FY26 was ₹15,595 crore. Capex spend for FY27 expected at ₹22,000-24,000 crores

Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

**Exhibit 3: JSTL reported consolidated EBITDA of Rs86.3bn in Q4, broadly in line with our estimate**

Consolidated	Units	Q4 FY25	Q1 FY26A	Q2 FY26A	Q3 FY26A	Q4 FY26A	Q4 FY26E	Q4 FY26 Consensus	vs Emkay	vs Consensus	QoQ	YoY
Production	mt	7.6	7.3	7.9	7.5	7.5	7.9	-	-5.6%	na	0.2%	-1.7%
Sales volume	mt	7.5	6.7	7.3	7.6	8.0	7.8	-	2.8%	na	4.3%	6.4%
Revenue	Rs mn	448,190.0	431,470.0	451,520.0	459,910.0	511,800.0	493,537.3	498,719.9	3.7%	2.6%	11.3%	14.2%
<b>EBITDA</b>	<b>Rs mn</b>	<b>63,780.0</b>	<b>75,760.0</b>	<b>71,150.0</b>	<b>64,960.0</b>	<b>86,340.0</b>	<b>84,209.2</b>	<b>85,259.9</b>	<b>2.5%</b>	<b>1.3%</b>	<b>32.9%</b>	<b>35.4%</b>
<b>EBITDA spread</b>	<b>Rs/t</b>	<b>8,515.5</b>	<b>11,334.6</b>	<b>9,701.2</b>	<b>8,504.0</b>	<b>10,832.9</b>	<b>10,861.3</b>	<b>10,996.9</b>	<b>-0.3%</b>	<b>-1.5%</b>	<b>27.4%</b>	<b>27.2%</b>
Net profit	Rs mn	15,030.0	21,840.0	16,230.0	21,390.0	163,700.0	25,172.2	26,693.8	550.3%	513.3%	665.3%	989.2%
Net debt	Rs mn	765,630.0	798,500.0	791,530.0	803,470.0	538,700.0	-	-	na	na	-33.0%	-29.6%
Net debt to EBITDA	x	3.3	3.2	3.0	2.9	1.8	-	-	na	na	-37.8%	-45.8%

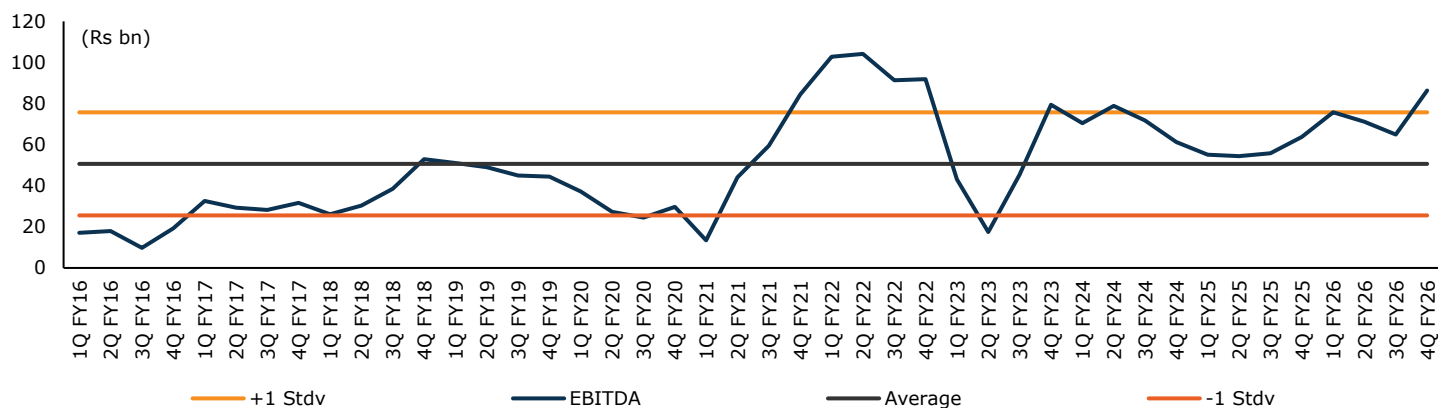
Source: Company, Emkay Research

**Exhibit 4: EBITDA estimates for FY27/28 change 3%/9%, as we incorporate management guidance on volumes**

Financial metrics	Units	FY26E			FY27E			FY28E		
		New	Old	Chg	New	Old	Chg	New	Old	Chg
Net sales	Rs mn	1,854,700.0	1,836,437.3	1.0%	1,916,055.2	1,781,488.6	7.6%	2,057,567.0	1,888,014.2	9.0%
EBITDA	Rs mn	298,210.0	296,079.2	0.7%	355,078.2	344,800.2	3.0%	416,805.3	381,758.6	9.2%
EBIT	Rs mn	214,680.0	205,927.4	4.3%	265,991.4	266,743.2	-0.3%	314,629.5	295,150.7	6.6%
Net profit	Rs mn	49,570.0	89,922.2	-44.9%	127,235.5	130,345.3	-2.4%	162,908.0	149,409.0	9.0%
Adj EPS	Rs	91.3	36.7	148.3%	52.0	51.8	0.5%	66.6	59.3	12.2%
DPS	Rs	7.1	7.4	-3.7%	10.4	10.4	0.4%	13.3	11.9	12.2%
Net debt / (cash)	Rs mn	545,430.0	507,145.7	7.5%	560,792.4	432,183.3	29.8%	719,639.5	488,561.6	47.3%

Source: Company, Emkay Research

**Exhibit 5: JSTL – Quarterly EBITDA trend**



Source: Company, Emkay Research

## Exhibit 6: JSTL – Summary of estimates

Rs mn	FY25	FY26	FY27E	FY28E	FY29E		FY25	FY26	FY27E	FY28E	FY29E
<b>P&amp;L</b>						<b>Operational metrics</b>					
Net sales	1,688,240.0	1,854,700.0	1,916,055.2	2,057,567.0	2,333,131.2	Iron Ore (USD/t)	98.6	98.1	95.0	90.0	91.8
Operating expenses	1,459,200.0	1,556,490.0	1,560,977.0	1,640,761.8	1,879,864.4	Steel HRC (Rs/t)	50,034.0	50,612.5	54,000.0	54,000.0	58,322.5
<b>EBITDA</b>	<b>229,040.0</b>	<b>298,210.0</b>	<b>355,078.2</b>	<b>416,805.3</b>	<b>453,266.9</b>	<b>Crude Capacity (mt)</b>	<b>35.7</b>	<b>37.9</b>	<b>34.3</b>	<b>39.3</b>	<b>40.3</b>
Depreciation	93,090.0	96,010.0	99,751.3	113,515.0	126,521.7	<b>Production (mt)</b>	<b>27.8</b>	<b>30.1</b>	<b>29.4</b>	<b>30.4</b>	<b>32.9</b>
<b>EBIT</b>	<b>142,890.0</b>	<b>214,680.0</b>	<b>265,991.4</b>	<b>314,629.5</b>	<b>340,549.3</b>	Crude Steel Production - India	27.0	29.3	28.5	29.5	32.0
Interest and taxes	99,980.0	128,440.0	143,260.6	156,879.3	164,136.9	Crude Steel Production - USA	0.8	0.8	0.9	0.9	0.9
<b>Adj Net earnings</b>	<b>39,930.0</b>	<b>49,570.0</b>	<b>127,235.5</b>	<b>162,908.0</b>	<b>183,833.5</b>	<b>Sales volumes (mt)</b>	<b>26.5</b>	<b>29.6</b>	<b>28.2</b>	<b>29.5</b>	<b>32.0</b>
Adj EPS (Rs)	14.3	91.3	52.0	66.6	75.2	<b>Blended realization (Rs/t)</b>	<b>56,206.6</b>	<b>51,192.8</b>	<b>60,052.6</b>	<b>60,511.0</b>	<b>64,584.5</b>
Dividend (Rs/sh)	2.8	7.1	10.4	13.3	15.1	<b>Financial metrics</b>					
Number of shares (mn)	2,440.1	2,440.8	2,440.8	2,440.8	2,440.8	EBITDA margin	13.6%	16.1%	18.5%	20.3%	19.4%
<b>Balance sheet</b>						EBITDA/t - Consol (Rs)	8,658.6	10,064.9	12,570.0	14,128.0	14,185.9
<b>Gross block</b>	<b>1,703,800.0</b>	<b>1,726,560.0</b>	<b>1,877,810.0</b>	<b>2,227,810.0</b>	<b>2,577,810.0</b>	EBITDA/t - India (Rs)	8,924.0	10,166.9	12,640.5	14,241.9	14,285.1
Inventories	349,560.0	327,650.0	367,462.6	422,787.7	479,410.5	Net margin	2.4%	2.7%	6.6%	7.9%	7.9%
Receivables	84,150.0	112,600.0	131,236.7	140,929.2	159,803.5	ROE	4.9%	5.3%	11.5%	13.4%	13.6%
Payables	325,520.0	344,830.0	342,131.9	359,619.0	412,025.1	ROCE	8.4%	11.3%	13.0%	14.5%	14.8%
<b>Net working capital</b>	<b>108,190.0</b>	<b>95,420.0</b>	<b>156,567.3</b>	<b>204,098.0</b>	<b>227,189.0</b>	ROIC	6.1%	8.8%	11.1%	11.8%	11.2%
Cash	132,850.0	409,890.0	394,527.6	235,680.5	128,757.0	Gross debt (Rs mn)	959,570.0	955,320.0	955,320.0	955,320.0	955,320.0
Total assets	2,407,420.0	2,696,760.0	2,791,345.6	2,934,001.3	3,126,053.1	Net debt/(cash) (Rs mn)	826,720.0	545,430.0	560,792.4	719,639.5	826,563.0
Total liabilities	1,590,760.0	1,642,010.0	1,639,311.9	1,656,799.0	1,709,205.1	Net debt to EBITDA (x)	3.6	1.8	1.6	1.7	1.8
<b>Total Equity</b>	<b>816,660.0</b>	<b>1,054,750.0</b>	<b>1,152,033.6</b>	<b>1,277,202.2</b>	<b>1,416,848.0</b>	Net debt to Equity	101.2%	51.7%	48.7%	56.3%	58.3%
<b>Cash Flow</b>						<b>Valuation</b>					
Operating cash before WC	235,530.0	320,850.0	365,742.7	428,144.5	467,071.0	P/E (x)	65.7	12.1	25.0	19.5	17.3
Working capital and other	-26,540.0	-69,330.0	-108,876.0	-108,877.9	-91,695.8	EV/EBITDA (x)	13.7	11.0	10.7	9.5	8.9
<b>Operating cash flow</b>	<b>208,990.0</b>	<b>251,520.0</b>	<b>256,866.7</b>	<b>319,266.6</b>	<b>375,375.1</b>	FCF yield	3.6%	3.9%	0.8%	-1.0%	0.8%
Capex	-126,940.0	-146,540.0	-230,000.0	-350,000.0	-350,000.0	Dividend yield	0.3%	0.6%	0.8%	1.0%	1.2%
Other investing items	-43,030.0	333,440.0	78,750.0	0.0	0.0	<b>Methodology</b>	<b>Rs mn</b>	<b>Rs/sh</b>			
<b>Investing cash flow</b>	<b>-169,970.0</b>	<b>186,900.0</b>	<b>-151,250.0</b>	<b>-350,000.0</b>	<b>-350,000.0</b>	EV/EBITDA	3,751,247.4	1,533.9			
Borrowings/(repayments)	91,160.0	-61,100.0	0.0	0.0	0.0	CRGO project	52,000.0	21.3			
Equity changes	-440.0	-3,940.0	0.0	0.0	0.0	BPSL	183,391.8	75.0			
Other financing items	-93,340.0	-96,070.0	-120,979.1	-128,113.6	-132,298.7	Less: Net debt, minorities	-615,012.4	-251.5			
<b>Financing cash flow</b>	<b>-2,620.0</b>	<b>-161,110.0</b>	<b>-120,979.1</b>	<b>-128,113.6</b>	<b>-132,298.7</b>	<b>Equity Value</b>	<b>3,371,626.8</b>	<b>1,378.7</b>			
<b>Net change in cash</b>	<b>36,400.0</b>	<b>277,310.0</b>	<b>-15,362.4</b>	<b>-158,847.0</b>	<b>-106,923.6</b>	<b>Target price</b>		<b>1,400.0</b>			
Ending cash	132,850.0	409,890.0	394,527.6	235,680.5	128,757.0	Current price		1,298.5			
Free cash flow	82,050.0	104,980.0	26,866.7	-30,733.4	25,375.1	<b>Expected return</b>		<b>7.8%</b>			

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

## JSW Steel: Consolidated Financials and Valuations

### Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
<b>Revenue</b>	<b>1,688,240</b>	<b>1,854,700</b>	<b>1,916,055</b>	<b>2,057,567</b>	<b>2,333,131</b>
Revenue growth (%)	(3.5)	9.9	3.3	7.4	13.4
<b>EBITDA</b>	<b>229,040</b>	<b>298,210</b>	<b>355,078</b>	<b>416,805</b>	<b>453,267</b>
EBITDA growth (%)	(18.9)	30.2	19.1	17.4	8.7
Depreciation & Amortization	93,090	96,010	99,751	113,515	126,522
<b>EBIT</b>	<b>135,950</b>	<b>202,200</b>	<b>255,327</b>	<b>303,290</b>	<b>326,745</b>
EBIT growth (%)	(32.2)	48.7	26.3	18.8	7.7
Other operating income	-	-	-	-	-
Other income	6,940	12,480	10,664	11,339	13,804
Financial expense	84,120	91,020	95,532	95,532	95,532
<b>PBT</b>	<b>58,770</b>	<b>123,660</b>	<b>170,459</b>	<b>219,098</b>	<b>245,017</b>
Extraordinary items	(4,890)	173,590	0	0	0
Taxes	15,860	36,850	47,729	61,347	68,605
Minority interest	130	(31,920)	0	0	0
Income from JV/Associates	(3,110)	(4,750)	4,505	5,158	7,421
<b>Reported PAT</b>	<b>35,040</b>	<b>223,730</b>	<b>127,236</b>	<b>162,908</b>	<b>183,834</b>
PAT growth (%)	(60.2)	538.5	(43.1)	28.0	12.8
<b>Adjusted PAT</b>	<b>39,930</b>	<b>50,140</b>	<b>127,236</b>	<b>162,908</b>	<b>183,834</b>
<b>Diluted EPS (Rs)</b>	<b>16.4</b>	<b>20.5</b>	<b>52.1</b>	<b>66.7</b>	<b>75.3</b>
Diluted EPS growth (%)	(51.7)	25.5	153.8	28.0	12.8
<b>DPS (Rs)</b>	<b>7.3</b>	<b>2.8</b>	<b>10.4</b>	<b>13.3</b>	<b>15.1</b>
<b>Dividend payout (%)</b>	<b>50.9</b>	<b>3.1</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>
EBITDA margin (%)	13.6	16.1	18.5	20.3	19.4
EBIT margin (%)	8.1	10.9	13.3	14.7	14.0
Effective tax rate (%)	27.0	29.8	28.0	28.0	28.0
<b>NOPLAT (pre-IndAS)</b>	<b>99,262</b>	<b>141,946</b>	<b>183,835</b>	<b>218,369</b>	<b>235,257</b>
Shares outstanding (mn)	2,440	2,441	2,441	2,441	2,441

Source: Company, Emkay Research

### Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	50,770	292,500	170,459	219,098	245,017
Others (non-cash items)	12,890	(153,030)	(153,030)	0	0
Taxes paid	(19,730)	(32,250)	(47,729)	(61,347)	(68,605)
Change in NWC	6,470	(13,450)	(61,147)	(47,531)	(23,091)
<b>Operating cash flow</b>	<b>208,990</b>	<b>251,520</b>	<b>103,837</b>	<b>319,267</b>	<b>375,375</b>
Capital expenditure	(126,940)	(146,540)	(230,000)	(350,000)	(350,000)
Acquisition of business	(76,550)	45,710	56,750	0	0
Interest & dividend income	6,840	6,960	0	0	0
<b>Investing cash flow</b>	<b>(169,970)</b>	<b>186,900</b>	<b>(87,540)</b>	<b>(350,000)</b>	<b>(350,000)</b>
Equity raised/(repaid)	(440)	(3,940)	0	0	0
Debt raised/(repaid)	91,160	(61,100)	0	0	0
Payment of lease liabilities	0	0	0	0	0
Interest paid	(88,350)	(89,220)	(95,532)	(95,532)	(95,532)
Dividend paid (incl tax)	(17,850)	(6,850)	(25,447)	(32,582)	(36,767)
Others	12,860	0	0	0	0
<b>Financing cash flow</b>	<b>(2,620)</b>	<b>(161,110)</b>	<b>(120,979)</b>	<b>(128,114)</b>	<b>(132,299)</b>
Net chg in Cash	36,400	277,310	(104,682)	(158,847)	(106,924)
OCF	208,990	251,520	103,837	319,267	375,375
Adj. OCF (w/o NWC chg.)	202,520	264,970	164,984	366,797	398,466
FCFF	82,050	104,980	(126,163)	(30,733)	25,375
FCFE	4,770	20,920	(221,695)	(126,265)	(70,157)
OCF/EBITDA (%)	91.2	84.3	29.2	76.6	82.8
FCFE/PAT (%)	13.6	9.4	(174.2)	(77.5)	(38.2)
<b>FCFF/NOPLAT (%)</b>	<b>82.7</b>	<b>74.0</b>	<b>(68.6)</b>	<b>(14.1)</b>	<b>10.8</b>

Source: Company, Emkay Research

### Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	3,050	3,050	3,050	3,050	3,050
Reserves & Surplus	791,910	997,480	1,094,764	1,219,932	1,359,578
<b>Net worth</b>	<b>794,960</b>	<b>1,000,530</b>	<b>1,097,814</b>	<b>1,222,982</b>	<b>1,362,628</b>
Minority interests	21,700	54,220	54,220	54,220	54,220
Non-current liab. & prov.	92,130	92,750	92,750	92,750	92,750
<b>Total debt</b>	<b>959,570</b>	<b>955,320</b>	<b>955,320</b>	<b>955,320</b>	<b>955,320</b>
<b>Total liabilities &amp; equity</b>	<b>1,941,890</b>	<b>2,206,770</b>	<b>2,304,054</b>	<b>2,429,222</b>	<b>2,568,868</b>
Net tangible fixed assets	1,168,140	1,095,320	1,146,819	1,383,304	1,606,782
Net intangible assets	31,810	30,320	30,320	30,320	30,320
Net ROU assets	48,370	49,220	49,220	49,220	49,220
Capital WIP	204,780	218,920	218,920	218,920	218,920
Goodwill	-	-	-	-	-
Investments [JV/Associates]	165,300	176,230	176,230	176,230	176,230
<b>Cash &amp; equivalents</b>	<b>132,850</b>	<b>409,890</b>	<b>394,520</b>	<b>235,681</b>	<b>128,757</b>
Current Liab. (ex-cash)	574,510	624,460	682,909	747,927	823,424
Current Liab. & Prov.	462,560	489,810	487,112	504,599	557,005
<b>NWC (ex-cash)</b>	<b>111,950</b>	<b>134,650</b>	<b>195,797</b>	<b>243,328</b>	<b>266,419</b>
<b>Total assets</b>	<b>1,941,890</b>	<b>2,206,770</b>	<b>2,304,054</b>	<b>2,429,222</b>	<b>2,568,868</b>
Net debt	826,720	545,430	560,792	719,639	826,563
Capital employed	1,941,890	2,206,770	2,304,054	2,429,222	2,568,868
<b>Invested capital</b>	<b>1,311,900</b>	<b>1,260,290</b>	<b>1,372,936</b>	<b>1,656,952</b>	<b>1,903,521</b>
BVPS (Rs)	325.8	409.9	449.8	501.1	558.3
Net Debt/Equity (x)	1.0	0.5	0.5	0.6	0.6
Net Debt/EBITDA (x)	3.6	1.8	1.6	1.7	1.8
Interest coverage (x)	1.7	2.4	2.8	3.3	3.6
<b>RoCE (%)</b>	<b>8.3</b>	<b>11.3</b>	<b>12.9</b>	<b>14.5</b>	<b>14.8</b>

Source: Company, Emkay Research

### Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	90.4	14.2	24.9	19.5	17.2
EV/CE(x)	2.2	2.0	1.9	1.8	1.7
P/B (x)	4.0	3.2	2.9	2.6	2.3
EV/Sales (x)	2.4	2.2	2.1	1.9	1.7
EV/EBITDA (x)	17.4	13.4	11.3	9.6	8.8
EV/EBIT(x)	29.4	19.8	15.6	13.2	12.2
EV/IC (x)	3.0	3.2	2.9	2.4	2.1
FCFF yield (%)	2.1	2.6	(3.2)	(0.8)	0.6
FCFE yield (%)	0.2	0.7	(7.0)	(4.0)	(2.2)
Dividend yield (%)	0.6	0.2	0.8	1.0	1.2
<b>DuPont-RoE split</b>					
Net profit margin (%)	2.4	2.7	6.6	7.9	7.9
Total asset turnover (x)	0.9	0.9	0.9	0.9	1.0
Assets/Equity (x)	2.3	2.3	2.1	2.0	1.9
<b>RoE (%)</b>	<b>5.1</b>	<b>5.6</b>	<b>12.1</b>	<b>14.0</b>	<b>14.2</b>
<b>DuPont-RoIC</b>					
NOPLAT margin (%)	5.9	7.7	9.6	10.6	10.1
IC turnover (x)	1.4	1.4	1.5	1.4	1.3
<b>RoIC (%)</b>	<b>8.1</b>	<b>11.0</b>	<b>14.0</b>	<b>14.4</b>	<b>13.2</b>
<b>Operating metrics</b>					
Core NWC days	24.2	26.5	37.3	43.2	41.7
<b>Total NWC days</b>	<b>24.2</b>	<b>26.5</b>	<b>37.3</b>	<b>43.2</b>	<b>41.7</b>
Fixed asset turnover	1.1	1.1	1.1	1.0	1.0
Opex-to-revenue (%)	86.4	83.9	81.5	79.7	80.6

Source: Company, Emkay Research

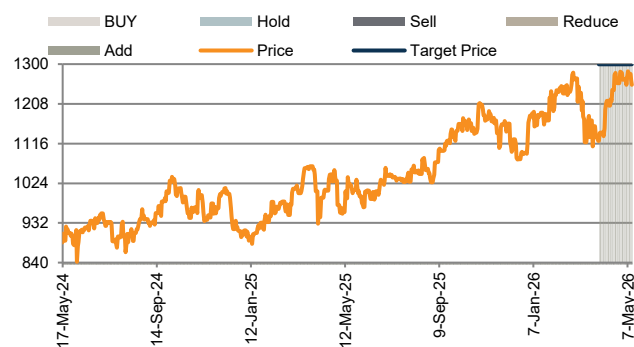
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**RECOMMENDATION HISTORY - DETAILS**

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
08-Apr-26	1,194	1,300	Add	Akhilesh Kumar
31-Mar-26	1,123	1,300	Add	Akhilesh Kumar

Source: Company, Emkay Research

**RECOMMENDATION HISTORY - TREND**



Source: Company, Bloomberg, Emkay Research

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<b>SELL</b>	>15% downside

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