13 November 2025

2QFY26 Results Update | Sector: Metals

Tata Steel

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	TATA IN
Equity Shares (m)	12484
M.Cap.(INRb)/(USDb)	2205.3 / 24.9
52-Week Range (INR)	187 / 123
1, 6, 12 Rel. Per (%)	0/13/17
12M Avg Val (INR M)	4741
Free float (%)	66.8

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	2,359	2,539	2,661
EBITDA	355	434	469
Adj. PAT	117	177	196
EBITDA Margin (%)	15.1	17.1	17.6
Adj. EPS (INR)	9.4	14.2	15.7
BV/Sh. (INR)	80.3	92.5	106.2
Ratios			
Net D:E	0.8	0.7	0.5
RoE (%)	12.3	16.4	15.8
RoCE (%)	12.4	15.2	15.3
Payout (%)	21.3	14.1	12.8
Valuations			
P/E (x)	18.8	12.5	11.3
P/BV (x)	2.2	1.9	1.7
EV/EBITDA(x)	8.6	6.8	6.0
Div. Yield (%)	1.1	1.1	1.1

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	33.2	33.2	33.2
DII	27.1	26.3	22.9
FII	17.8	17.7	19.9
Others	21.9	22.8	24.0

FII Includes depository receipts

CMP: INR177 TP: INR210 (+19%) BUY

Slightly better-than-estimated 2Q; Europe remains EBITDA positive

Standalone performance broadly in line

- Tata Steel (TATA)'s revenue was in line at INR347b (+7% YoY and 12% QoQ). The increase was aided by a rise in domestic deliveries, which was partly offset by a drop in realizations.
- Steel production stood at 5.4mt (+7% YoY and QoQ), whereas deliveries were in line with our estimates at 5.55mt, up 9% YoY and 17% QoQ. This was largely attributed to the capacity ramp-up at Kalinganagar and the completion of the relining of the G-blast furnace.
- ASP remained subdued at INR62,486/t in 2QFY26, declining 1% YoY and 4% QoQ, led by price corrections during the quarter due to monsoons.
- TATA's EBITDA stood at INR81.5b (+23% YoY and +14% QoQ) and was slightly above our estimate of INR75.4b. This translated into an EBITDA/t of INR14,681/t (vs. our estimate of INR13,733/t) in 2QFY26.
- APAT for the quarter stood at INR44.6b (+25% YoY and +19% QoQ) vs. our estimate of INR38b, supported by better operating profit.

European operations remain EBITDA positive

- Consolidated steel deliveries stood at 2.1mt (-1% YoY and flat QoQ), in line with our estimate during the quarter.
- Revenue stood at INR216b (+5% YoY and +4% QoQ) during the quarter.
- TATA's EBITDA continued to be positive during the quarter at INR1.5b (in line), vs. an operating loss of INR13.4b in 2QFY25.
- EBITDA/t stood at USD8/t (flat QoQ) in 2QFY26 vs. an EBITDA/t loss of USD75/t in 2QFY25.

Consolidated performance: PAT slightly better than our estimate

- TATA's revenue stood at INR587b (+9% YoY and +10% QoQ) and was in line with our estimate. Sales volume stood at 7.91mt (+5% YoY and +11% QoQ), which was offset by a muted ASP of INR74,196/t (+4% YoY and flat QoQ) in 2QFY26.
- Adjusted EBITDA stood at INR89b (+61% YoY and +20% QoQ), in line with our estimate of INR85.3b, translating to an EBITDA/t of INR11,247 (vs. our est. INR10,548/t) in 2QFY26.
- APAT for the quarter stood at INR32.7b (6.2x YoY and +53% QoQ) against our estimate of INR28b.
- Net debt stood at INR870b as of 2QFY26, which included cash of INR86b. This translated into a net debt/EBITDA of 2.97x as of Sep'25.

Key highlights from the management commentary

- In India, average HRC prices fell INR2,300/t QoQ, while TATA's NSR declined by INR1,700/t led by a better product mix. For 3QFY26, management guided the India business realizations to decline by INR1,500/t QoQ.

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- Management expects the Netherlands NSR to decline by EUR30/t in 3Q and expects a stronger recovery from 4QFY26 onwards.
- The UK prices are expected to remain largely flat in 3QFY26, but management expressed concern about the current low price levels, which are unsustainable.
- Consumption costs for coking coal are likely to increase USD6/t QoQ in 3Q on account of rising coking coal prices globally, while the coking coal consumption costs in the Netherlands are expected to fall by EUR5-10/t in 3QFY26 over consuming lower cost inventory.

Valuation and view: Long-term outlook remains strong

- Overall, TATA posted a decent performance in 2QFY26, primarily driven by strong operating profits at the India business and EBITDA improvement in Europe. The Indian business continues to post a healthy performance as anticipated, fueled by healthy volume supported by capacity ramp-up at Kalinganagar and relining of the g-blast furnace. These offset the muted NSR caused by seasonal weakness.
- EBITDA improvement in Europe operations is expected to continue steadily in the coming quarters on account of its cost-restructuring measures. The capacity ramp-up in the Netherlands and lower fixed costs should also support the overall EBITDA performance going forward.
- Though there are near-term uncertainties related to price volatility due to trade tensions and the recent correction in steel prices, the long-term outlook remains strong for TATA. We largely maintain our earnings estimates. **At CMP, TATA is trading at 6.8x FY27E EV/EBITDA and 1.9x FY27E P/B. We reiterate our BUY rating with an SOTP-based TP of INR210 per share on Sep'27E.**

Standalone quarterly performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY25E	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Deliveries (kt)	**4,940**	**5,110**	**5,290**	**5,600**	**4,750**	**5,550**	**5,828**	**6,123**	**20,940**	**22,251**	**5,493**	**1.0**
Change (YoY %)	3.1	6.0	8.4	3.3	(3.8)	8.6	10.2	9.3	5.2	6.3		
Change (QoQ %)	(8.9)	3.4	3.5	5.9	(15.2)	16.8	5.0	5.1				
Blended ASP (INR/t)	**66,716**	**63,404**	**61,929**	**61,427**	**65,293**	**62,486**	**61,507**	**66,608**	**63,284**	**63,963**	**63,044**	**(0.9)**
Change (YoY %)	(9.9)	(10.6)	(12.9)	(8.9)	(2.1)	(1.4)	(0.7)	8.4	(10.6)	1.1		
Change (QoQ %)	(1.0)	(5.0)	(2.3)	(0.8)	6.3	(4.3)	(1.6)	8.3				
Net Sales	**329.6**	**324.0**	**327.6**	**344.0**	**310.1**	**346.8**	**358.4**	**407.9**	**1,325.2**	**1,423.2**	**346.3**	**0.1**
Change (YoY %)	(7.1)	(5.3)	(5.6)	(5.9)	(5.9)	7.0	9.4	18.6	(6.0)	7.4		
Change (QoQ %)	(9.8)	(1.7)	1.1	5.0	(9.8)	11.8	3.4	13.8				
EBITDA	**67.8**	**66.1**	**75.0**	**69.8**	**71.2**	**81.5**	**82.5**	**94.2**	**278.7**	**329.3**	**75.4**	**8.0**
Change (YoY %)	1.0	(4.3)	(9.6)	(13.6)	5.1	23.3	10.0	34.9	(7.1)	18.2		
Change (QoQ %)	(16.1)	(2.5)	13.5	(6.9)	2.0	14.4	1.2	14.2				
EBITDA Margin %	20.6	20.4	22.9	20.3	23.0	23.5	23.0	23.1	21.0	23.1		
Spreads	40,869	36,175	36,015	36,687	42,198	38,124	39,055	42,161	37,379	40,349		
Conv. Cost	27,152	23,240	21,837	24,224	27,209	23,443	24,900	26,782	24,072	25,547		
EBITDA(INR/t)	13,716	12,935	14,179	12,463	14,988	14,681	14,155	15,380	13,307	14,801		
Interest	9.2	11.3	10.8	11.0	12.7	12.4	13.7	14.8	42.4	53.6		
Depreciation	15.2	15.6	15.6	16.2	16.3	17.2	18.1	19.2	62.5	70.8		
Other Income	3.7	8.5	4.6	5.6	5.6	6.1	6.1	6.1	22.5	23.9		
PBT (before EO Inc.)	**47.0**	**47.7**	**53.2**	**48.3**	**47.8**	**58.0**	**56.7**	**66.3**	**196.2**	**228.9**		
EO Income(exp)	(2.4)	0.1	(1.5)	(5.3)	(2.2)	(4.0)	-	-	(9.0)	(6.2)		
PBT (after EO Inc.)	**44.7**	**47.9**	**51.7**	**42.9**	**45.6**	**54.0**	**56.7**	**66.3**	**187.2**	**222.7**		
Total Tax	**11.3**	**11.9**	**13.0**	**11.2**	**10.3**	**13.4**	**14.7**	**18.9**	**47.5**	**57.5**		
% Tax	25.4	25.0	25.0	26.2	22.7	24.9	26.0	28.5	25.4	25.8		
Reported PAT	**33.3**	**35.9**	**38.8**	**31.7**	**35.2**	**40.6**	**42.0**	**47.4**	**139.7**	**165.2**		
Adjusted PAT	**35.7**	**35.8**	**40.2**	**37.0**	**37.4**	**44.6**	**42.0**	**47.4**	**148.7**	**171.4**	**38.3**	**16.6**
Change (YoY %)	(31.7)	(20.5)	(14.2)	(21.8)	4.9	24.7	4.3	28.1	(22.3)	15.3		
Change (QoQ %)	(24.6)	0.3	12.5	(8.0)	1.1	19.2	(5.9)	13.0				

Source: MOFSL, Company

Consolidated quarterly performance (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY25E	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Sales (k tons)	**7,390**	**7,520**	**7,720**	**8,330**	**7,120**	**7,910**	**8,218**	**8,653**	**30,960**	**31,901**	**8,088**	**(2.2)**
Change (YoY %)	2.6	6.4	8.0	4.4	(3.7)	5.2	6.4	3.9	5.3	3.0		
Change (QoQ %)	(7.4)	1.8	2.7	7.9	(14.5)	11.1	3.9	5.3				
Avg Realization (INR/t)	**74,116**	**71,682**	**69,493**	**67,489**	**74,688**	**74,196**	**72,350**	**74,681**	**70,589**	**73,962**	**70,226**	**5.7**
Change (YoY %)	(10.3)	(9.0)	(10.2)	(8.2)	0.8	3.5	4.1	10.7	(9.5)	4.8		
Change (QoQ %)	0.8	(3.3)	(3.1)	(2.9)	10.7	(0.7)	(2.5)	3.2				
Net Sales	**547.7**	**539.0**	**536.5**	**562.2**	**531.8**	**586.9**	**594.5**	**646.2**	**2,185.4**	**2,359.5**	**568.0**	**3.3**
Change (YoY %)	(7.9)	(3.2)	(3.0)	(4.2)	(2.9)	8.9	10.8	15.0	(4.6)	8.0		
Change (QoQ %)	(6.7)	(1.6)	(0.5)	4.8	(5.4)	10.4	1.3	8.7				
EBITDA	**66.9**	**55.2**	**71.5**	**65.6**	**74.3**	**89.0**	**87.8**	**104.5**	**259.3**	**355.5**	**85.3**	**4.3**
Change (YoY %)	29.4	29.4	14.2	(0.6)	11.0	61.1	22.7	59.3	16.3	37.1		
Change (QoQ %)	1.4	(17.5)	29.6	(8.3)	13.2	19.8	(1.3)	19.0				
EBITDA Margin %	12.2	10.2	13.3	11.7	14.0	15.2	14.8	16.2	11.9	15.1		
EBITDA (INR/t)	**9,059**	**7,343**	**9,268**	**7,874**	**10,432**	**11,247**	**10,681**	**12,073**	**8,376**	**11,143**	**10,548**	**6.6**
Interest	17.8	19.7	18.0	17.9	18.5	17.7	18.3	18.6	73.4	73.1		
Depreciation	25.4	26.0	25.7	27.2	27.4	28.9	29.1	29.5	104.2	115.0		
Other Income	2.6	6.0	2.2	4.6	2.9	3.6	3.7	3.9	15.4	14.2		
PBT (before EO Inc.)	**26.4**	**15.5**	**30.0**	**25.1**	**31.2**	**45.9**	**44.1**	**60.3**	**97.1**	**181.5**		
Share of asso. PAT	0.9	(0.3)	0.5	0.8	0.8	0.5	-	-	1.9	1.3		
EO Income(exp)	(3.6)	6.4	(13.8)	(3.9)	(1.3)	(4.2)	-	-	(14.9)	(5.5)		
PBT (after EO Inc.)	**23.8**	**21.6**	**16.7**	**22.0**	**30.7**	**42.2**	**44.1**	**60.3**	**84.1**	**177.2**		
Total Tax	14.6	14.1	13.8	10.0	10.6	10.4	16.3	24.7	52.4	62.0		
% Tax	61.4	64.9	82.3	45.4	34.6	24.6	37.0	41.0	62.3	35.0		
PAT before MI	**9.2**	**7.6**	**3.0**	**12.0**	**20.1**	**31.8**	**27.8**	**35.5**	**31.7**	**115.2**		
Minority Interests	(0.4)	(0.7)	(0.3)	(1.0)	(0.7)	0.8	-	-	(2.5)	0.1		
Reported PAT (after MI)	**9.6**	**8.3**	**3.3**	**13.0**	**20.8**	**31.0**	**27.8**	**35.5**	**34.2**	**115.1**		
Adj. PAT (after MI)	**13.2**	**4.5**	**7.4**	**16.9**	**21.3**	**32.7**	**27.8**	**35.5**	**42.0**	**117.3**	**27.7**	**17.9**
Change (YoY %)	112.3	(35.8)	68.2	40.1	61.7	625.0	275.4	110.3	41.4	179.4		
Change (QoQ %)	9.3	(65.8)	64.1	128.3	26.1	53.5	(15.1)	27.9				

Story in charts

Exhibit 1: TSE's EBITDA remained positive at USD8/t

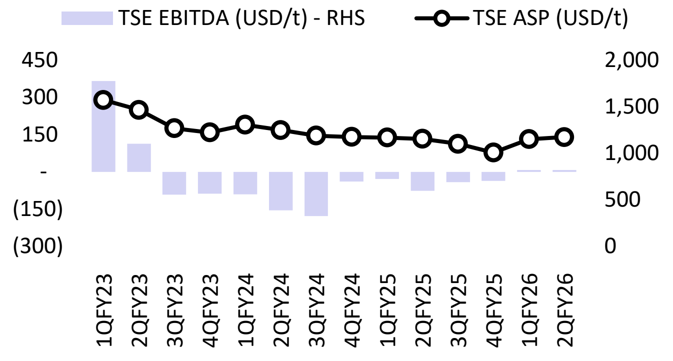
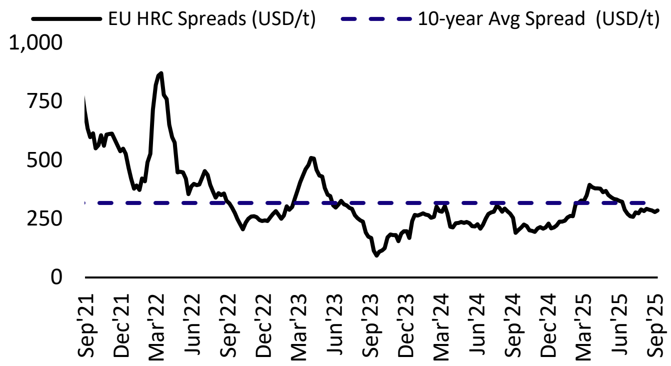


Exhibit 2: EU HRC spreads remained muted



Source: MOFSL, BigMint

Exhibit 3: India's EBITDA softened marginally QoQ

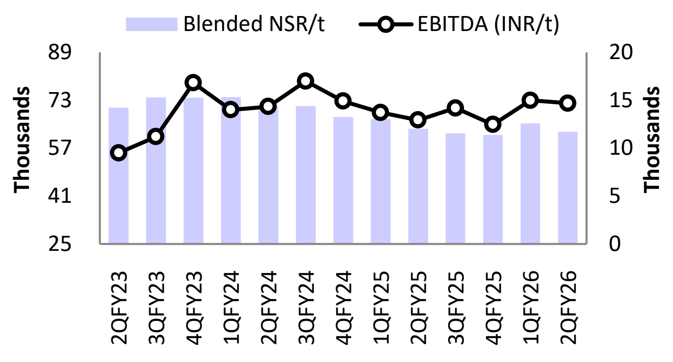
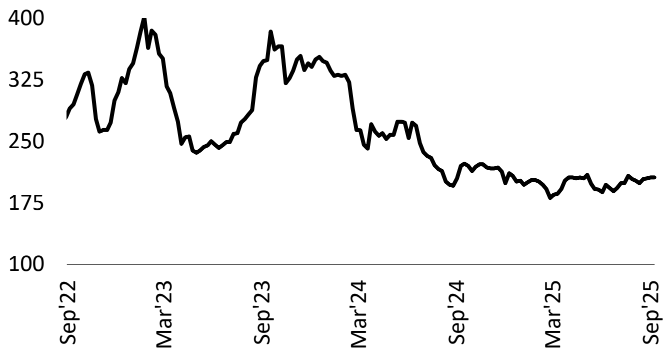


Exhibit 4: Coking coal price (USD/t) inched up to +USD200/t



Source: MOFSL, BigMint

Exhibit 5: Net debt-to-EBITDA ratio expected to dip

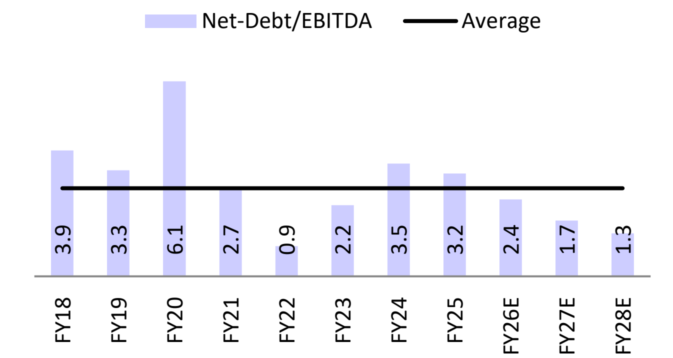


Exhibit 6: RoE/RoCE expected to improve

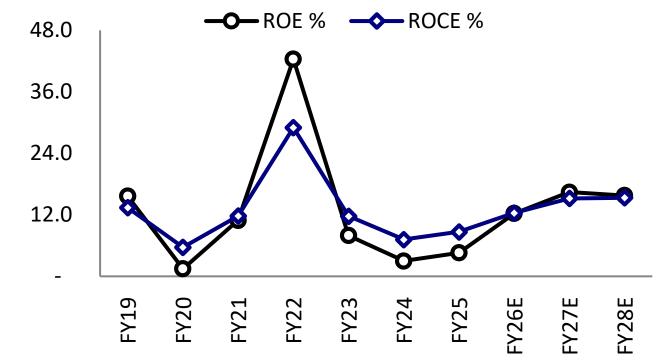


Exhibit 7: India's domestic HRC prices (INR/t)

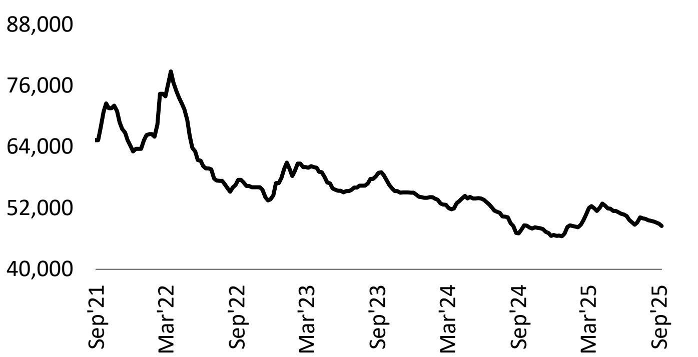


Exhibit 8: China's domestic HRC prices (USD/t)

Source: MOFSL, BigMint

Source: MOFSL, BigMint

CONFERENCE CALL

Highlights from the management commentary

Management guidance

- Management expects India's steel consumption to grow at 10% YoY over the next few years.
- In India, average HRC prices fell INR2,300/t QoQ, while TATA's NSR declined by INR1,700/t led by better product mix. For 3QFY26, management guided the India business realizations to decline by INR1,500/t QoQ.
- The company expects the Netherlands NSR to decline by EUR30/t in 3Q and expects a stronger recovery from 4QFY26 onwards.
- UK prices are expected to remain largely flat in 3QFY26, but management expressed concern about the current low price levels, which are not sustainable.
- Consumption cost for coking coal is expected to increase by USD6/t QoQ in 3Q on account of rising coking coal prices globally, while the coking coal consumption costs in the Netherlands are expected to fall by EUR5-10/t in 3QFY26 over consuming lower cost inventory.
- TATA achieved INR54.5b of cost savings in 1HFY26, through its global cost transformation program. In 2QFY26, the cost transformation delivered INR25.6b savings, which includes INR10.4b in India and INR10.6b in the Netherlands business.
- The India business cost reduction was driven by a leaner coal blend, lower stores and maintenance costs, and process optimization. The Netherlands' cost savings were supported by lower employee costs, reduced emission-related charges, and supply-chain efficiency.
- The consolidated net debt/EBITDA stood at 3x as of 2QFY26, and management aims to maintain this between 2.75-3x on a sustained basis.

TATA – European operations

- The non-binding Joint Letter of Intent (JLoI) has been signed with the Dutch government. Tata Steel Netherlands' decarburization project will be finalized next year after a Final Investment Decision (FID), and no material capex is expected in the next two years.
- The Dutch government's support of up to EUR2b is limited to Phase-1, while Phase-2 funding and timing remain open depending on policy evolution.
- The technology for Phase 1 is based on switchability, initially relying on natural gas, with optionality to switch to hydrogen or bio-methane later, depending on economics and availability.
- Recent protectionist measures, such as CBAM and import quota reduction by 50% in Europe, will support the EU's domestic industry. Management anticipates the imports to fall in Europe, while the potential restocking will lead to a positive impact for Tata Steel Netherlands from 4QFY26 onwards.
- The possible implementation of "melt and pour" conditions to participate in the potentially CBAM-protected market will be an additional safeguard for domestic businesses in Europe.
- Management anticipates that the supply side in Europe will undergo restructuring in the next 10 years as more blast furnaces require realignment.
- The UK steel demand remained subdued (HRC demand fell 33% since CY18), while a rise in import quotas by 20% will make the UK steel market more vulnerable to cheap imports (imports are up 7% YoY in YTD'25).

- The UK is hit by the policy interventions in the US and EU, as it is rerouted to the unprotected market like the UK. Management stressed that policy intervention from the UK government is needed (similar actions in Europe).
- Management stated that achieving EBITDA breakeven by 4QFY26 will be difficult based only on internal factors like the cost restructuring plan.

Indian operations

- TATA incurred INR70b on capex during the 1HFY26, mainly toward India growth projects, including Kalinganagar expansion, Neelachal (NINL) ramp-up, and the Ludhiana EAF.
- The NINL expansion project is awaiting environmental and forest clearances before Board approval. Post-approval, completion will take ~3-3.5 years.
- Meramandali capacity will be increased from 5-6.5mtpa, and later to 10mtpa with plans to add a thin-slab caster and finishing facilities.
- Ludhiana EAF plant (0.75mtpa) will be commissioned in FY27, with expected EBITDA of INR5,000-7,000/t. The EAF route offers advantages in capital intensity and speed of execution compared to iron ore/coal-based production.
- For securing iron ore for its expanding capacity, TATA's strategy is to ensure supply at a competitive economic cost and not 100% captive iron ore.
- TATA currently possesses about 500-600mt of iron ore reserves available beyond 2030 from existing mines secured through acquisitions or auctions.
- TATA is engaging with OMCs (Odisha Mining Corp), NMDC, and others, to secure long-term iron ore arrangements. Also, it is evaluating the imports option if domestic iron ore costs and prices continue to stay high.
- The company is seeking to ship material from its high-quality Canadian mine (which has low alumina and 63+ Fe content) into India. Traditionally, India is not an attractive market for this mine (currently sold to Europe), while an option is available if the economics favor it.
- In 2QFY26, NINL reported an EBITDA of INR2.6b (+17% QoQ with a margin of 20%) vs INR2.2b in 1QFY26.

Other Highlights

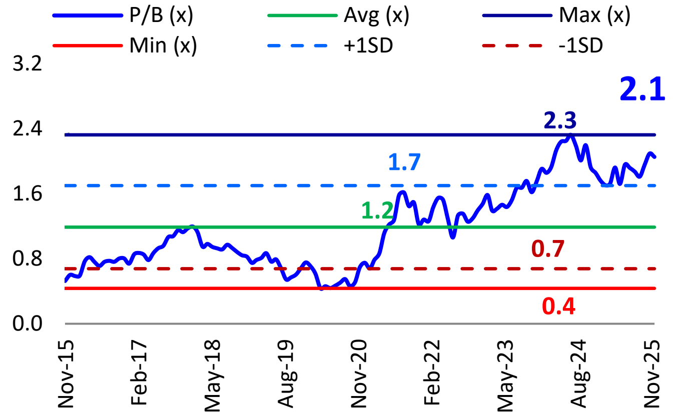
- The company executed a share purchase agreement to acquire the balance 50% in Tata BlueScope Private Ltd from BlueScope Steel, Australia. The acquisition is subject to regulatory approvals and will lead to value accretion.
- The company announced the divestment of its Ferro Alloys Plant located in Jajpur, Odisha, as part of its strategic realignment following the surrender of the Sukinda Chromite mining lease. The Sukinda mine required significant underground mining investments to sustain operations, which were commercially unviable under the current ferrochrome pricing and duty structure.
- Following this decision, Tata Steel reviewed its ferroalloy operations footprint and decided to exit standalone ferrochrome production, which would have depended on externally sourced ore and offered limited integration benefits.

Exhibit 9: Changes to our estimates and key financials

Key Assumptions	UoM	FY26E			FY27E		
Consolidated (INR b)		New	Old	Change (%)	New	Old	Change (%)
Revenue	INR b	2,359	2,339	0.9%	2,539	2,508	1.2%
EBITDA	"	355	358	-0.8%	434	434	-0.2%
APAT	"	117	115	1.7%	177	178	-0.4%

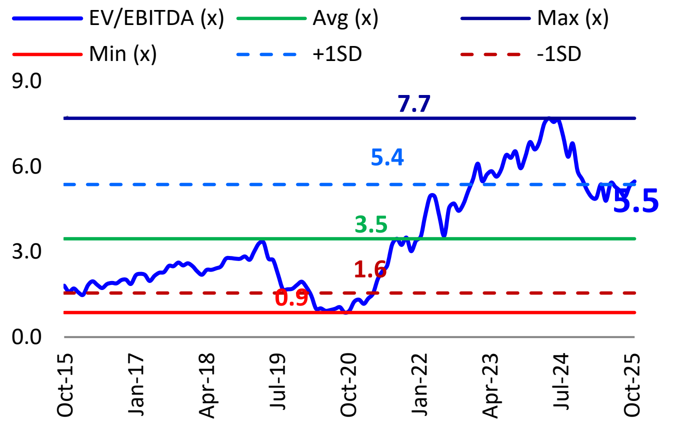
Source: MOFSL

Exhibit 10: P/B ratio slipped from its historical peak…



Source: MOFSL, Company data

Exhibit 11: …and so did EV/EBITDA



Source: MOFSL, Company data

Exhibit 12: Valuation

Y/E March	UoM	Sep'27E
Standalone		
Sales	mt	24.4
EBITDA	INR/t	15,968
EBITDA	INR b	390
Target multiple	x	7.5
Target EV	**INR b**	**2,922**
Europe		
Sales	mt	8.9
EBITDA	INR/t	5,463
EBITDA	INR b	49
Target multiple	x	6.0
Target EV	**INR b**	**291**
Other Subsidiaries		
EBITDA - India subs	INR b	13
Target EBITDA multiple	x	4.0
Target EV	**INR b**	**52**
Target EV	**INR b**	**3,266**
Net Debt (d)	INR b	692
Total equity value	**INR b**	**2,574**
No of shares o/s	**b**	**12.47**
Target Price	**INR/sh**	**210**

Source: MOFSL

Financials and valuations

Income Statement (Consolidated)

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	**1,564.8**	**2,439.6**	**2,433.5**	**2,291.7**	**2,185.4**	**2,359.5**	**2,539.5**	**2,661.2**
Change (%)	5.0	55.9	(0.2)	(5.8)	(4.6)	8.0	7.6	4.8
EBITDA	**305.0**	**634.9**	**323.0**	**223.1**	**259.3**	**355.5**	**433.7**	**468.8**
% of Net Sales	19.5	26.0	13.3	9.7	11.9	15.1	17.1	17.6
Depn. & Amortization	92.3	91.0	93.4	98.8	104.2	115.0	116.0	123.2
EBIT	**212.7**	**543.9**	**229.6**	**124.2**	**155.1**	**240.4**	**317.6**	**345.7**
Finance cost	76.1	54.6	63.0	75.1	73.4	73.1	76.9	78.7
Other income	9.0	7.8	10.4	18.1	15.4	14.2	15.7	16.5
PBT before EO	**145.6**	**497.1**	**177.0**	**67.3**	**97.1**	**181.5**	**256.5**	**283.4**
EO income	(10.4)	(1.3)	1.1	(78.1)	(14.9)	(5.5)	-	-
Share of asso.	3.3	6.5	4.2	(0.6)	1.9	1.3	-	-
PBT after EO	**138.4**	**502.3**	**182.4**	**(11.5)**	**84.1**	**177.2**	**256.5**	**283.4**
Tax	56.5	84.8	101.6	37.6	52.4	62.0	79.5	87.9
Rate (%)	40.8	16.9	55.7	(328.0)	62.3	35.0	31.0	31.0
PAT (Before MI & asso.)	**81.9**	**417.5**	**80.8**	**(49.1)**	**31.7**	**115.2**	**177.0**	**195.6**
Minority interest P/L	7.0	16.0	(6.9)	(4.7)	(2.5)	0.1	-	-
Reported PAT (After MI & asso.)	**74.9**	**401.5**	**87.6**	**(44.4)**	**34.2**	**115.1**	**177.0**	**195.6**
Adjusted PAT	**82.6**	**402.9**	**86.5**	**29.7**	**42.0**	**117.3**	**177.0**	**195.6**
Change (%)	694.9	387.8	(78.5)	(65.7)	41.4	179.4	50.8	10.5

Balance Sheet (Consolidated)

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	12.0	12.2	12.2	12.5	12.5	12.5	12.5	12.5
Reserves	730.4	1,132.2	1,018.6	907.9	899.2	989.5	1,141.5	1,312.1
Net Worth	**742.4**	**1,144.4**	**1,030.8**	**920.4**	**911.7**	**1,002.0**	**1,154.0**	**1,324.6**
Minority Interest	32.7	26.6	20.9	4.0	1.8	1.8	1.8	1.8
Total Loans	885.0	755.6	848.9	870.8	948.0	975.0	986.0	996.6
Deferred Tax Liability	92.4	123.3	141.2	129.9	144.3	130.0	130.0	130.0
Capital Employed	**1,752.5**	**2,049.9**	**2,041.8**	**1,925.1**	**2,005.8**	**2,108.8**	**2,271.8**	**2,453.0**
Other Liabilities	154.6	149.7	141.8	134.8	141.3	135.0	135.0	135.0
Total Liabilities	**1,907.1**	**2,199.6**	**2,183.6**	**2,059.9**	**2,147.2**	**2,243.8**	**2,406.8**	**2,588.0**
Gross Block	1,925.0	1,909.5	2,021.4	2,166.9	2,287.9	2,447.9	2,607.9	2,767.9
Less: Accum. Deprn.	735.0	747.8	834.4	931.5	1,035.7	1,150.7	1,266.8	1,390.0
Net Fixed Assets	**1,190.0**	**1,161.7**	**1,187.0**	**1,235.4**	**1,252.2**	**1,297.1**	**1,341.1**	**1,377.9**
Capital WIP	181.3	212.3	303.1	333.7	406.0	406.0	406.0	406.0
Goodwill & Others	176.5	179.4	288.3	262.6	267.2	267.5	267.5	267.5
Investments	34.6	58.3	47.8	55.3	57.5	55.0	55.0	55.0
Other Assets	270.3	317.3	187.4	141.8	127.2	145.8	145.8	145.8
Curr. Assets	**602.1**	**925.6**	**866.7**	**705.5**	**683.9**	**739.6**	**874.6**	**1,035.8**
Inventory	332.8	488.2	544.2	491.6	445.9	484.5	506.7	529.9
Account Receivables	95.4	122.5	82.6	62.6	52.6	62.3	67.1	71.2
Cash & liquid investment	57.8	159.0	133.6	86.8	116.5	124.8	232.8	366.6
Others	116.1	155.9	106.4	64.5	68.9	68.0	68.0	68.0
Curr. Liability & Prov.	**547.7**	**654.9**	**696.6**	**674.4**	**646.8**	**667.1**	**683.1**	**699.9**
Account Payables	259.7	367.6	378.3	302.3	293.1	349.9	365.9	382.7
Provisions & Others	288.1	287.2	318.3	372.1	353.6	317.2	317.2	317.2
Net Current Assets	**54.4**	**270.7**	**170.1**	**31.1**	**37.1**	**72.4**	**191.5**	**335.8**
Appl. of Funds	**1,907.1**	**2,199.6**	**2,183.6**	**2,059.9**	**2,147.2**	**2,243.8**	**2,406.8**	**2,588.0**

Financials and valuations

Ratios (Consolidated)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	**6.9**	**33.0**	**7.1**	**2.4**	**3.4**	**9.4**	**14.2**	**15.7**
Cash EPS	14.6	40.4	14.7	10.3	11.7	18.6	23.5	25.6
BVPS	62.0	93.7	84.4	73.8	73.1	80.3	92.5	106.2
DPS	2.5	5.1	3.6	3.6	3.6	2.0	2.0	2.0
Payout (%)	36.3	15.5	50.9	151.4	107.0	21.3	14.1	12.8
Valuation (x)								
P/E	7.0	3.7	15.1	53.2	45.8	18.8	12.5	11.3
Cash P/E	3.3	3.0	7.3	12.3	13.2	9.5	7.5	6.9
P/BV	0.8	1.3	1.3	1.7	2.1	2.2	1.9	1.7
EV/Sales	0.9	0.9	0.8	1.0	1.3	1.3	1.2	1.1
EV/EBITDA	4.6	3.3	6.3	10.6	10.6	8.6	6.8	6.0
Dividend Yield (%)	5.2	4.2	3.4	2.8	2.3	1.1	1.1	1.1
Return Ratios (%)								
RoE	10.9	42.4	8.0	3.0	4.6	12.3	16.4	15.8
RoCE (pre-tax)	11.8	29.0	11.7	7.2	8.7	12.4	15.2	15.3
RoIC (pre-tax)	9.6	27.4	8.7	2.8	7.8	12.4	14.6	14.2
Working Capital Ratios								
Debtor (Days)	21	20	15	11	9	10	10	10
Inventory (Days)	91	98	96	90	86	90	90	90
Payables (Days)	69	63	65	60	56	65	65	65
Leverage Ratio (x)								
Net Debt/EBITDA	2.7	0.9	2.2	3.5	3.2	2.4	1.7	1.3
Net Debt/Equity	1.1	0.5	0.7	0.9	0.9	0.8	0.7	0.5

Cash Flow Statement (Consolidated) (INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EBITDA	**305.0**	**634.9**	**323.0**	**223.1**	**259.3**	**355.5**	**433.7**	**468.8**
(Inc)/Dec in Wkg. Cap.	164.9	(96.2)	(37.1)	33.8	22.1	(27.0)	(11.0)	(10.6)
Tax Paid	(7.0)	(119.0)	(55.2)	(53.2)	(26.2)	(62.0)	(79.5)	(87.9)
Other operating activities	(19.6)	24.1	(13.9)	(0.7)	(20.0)	(4.2)	-	-
CF from Op. Activity	**443.3**	**443.8**	**216.8**	**203.0**	**235.1**	**262.2**	**343.2**	**370.4**
(Inc)/Dec in FA + CWIP	(65.3)	(99.5)	(138.1)	(177.3)	(144.1)	(160.3)	(160.0)	(160.0)
Free Cash Flow to Firm	**377.9**	**344.3**	**78.7**	**25.7**	**91.1**	**101.9**	**183.2**	**210.4**
(Pur)/Sale of Non-cur. Invest.	(36.3)	(23.0)	48.6	31.7	1.6	(16.1)	-	-
Acquisition in subsidiaries	0.9	11.5	(104.0)	1.2	0.2	-	-	-
Int. & Dividend Income	5.0	3.2	5.7	6.7	5.4	14.2	15.7	16.5
Others	2.5	(1.0)	1.1	(4.8)	(4.9)	-	-	-
CF from Inv. Activity	**(93.2)**	**(108.8)**	**(186.8)**	**(142.5)**	**(141.7)**	**(162.2)**	**(144.3)**	**(143.5)**
Equity raised/(repaid)	32.4	3.3	0.0	(1.6)	(0.3)	-	-	-
Debt raised/(repaid)	(321.1)	(159.8)	54.3	16.3	56.4	27.0	11.0	10.6
Dividend (incl. tax)	(11.5)	(30.2)	(62.9)	(44.3)	(44.9)	(73.1)	(76.9)	(78.7)
Interest & equiv. paid	(70.7)	(47.3)	(61.2)	(81.4)	(81.2)	(24.9)	(24.9)	(24.9)
Other Financing activities	-	-	-	-	-	(20.6)	-	-
CF from Fin. Activity	**(370.9)**	**(234.0)**	**(69.8)**	**(111.0)**	**(70.0)**	**(91.7)**	**(90.9)**	**(93.1)**
(Inc)/Dec in Cash	**(20.9)**	**101.0**	**(39.8)**	**(50.5)**	**23.4**	**8.3**	**108.1**	**133.8**
Add: opening balance	77.3	55.3	156.1	121.3	70.8	96.0	104.3	212.4
Forex Adj.	(1.1)	(0.2)	5.0	(0.0)	1.9	-	-	-
Closing cash balance	55.3	156.0	121.3	70.8	96.0	104.3	212.4	346.2
Bank Balance	2.5	2.9	12.3	16.0	20.4	20.4	20.4	20.4
Closing balance (incl. Bank balance)	**57.8**	**159.0**	**133.6**	**86.8**	**116.5**	**124.8**	**232.8**	**366.6**

NOTES

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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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