

## Strong Q4 beat; UK breakeven in sight

Metals &amp; Mining ▶ Result Update ▶ May 17, 2026

CMP (Rs): 217 | TP (Rs): 230

**TATA reported strong Q4 results, with consolidated adj EBITDA at Rs99.5bn (+20% QoQ), beating both Emkay and consensus estimates by 5.1%, driven by higher realizations and 6.2% QoQ volume growth. India EBITDA/t improved to Rs15,885, while Europe turned marginally EBITDA positive, aided by stronger realizations in the Netherlands and cost optimization initiatives. We expect Q1FY27 performance to remain robust, supported by margin expansion across geographies. We expect the UK business EBITDA loss to gradually narrow on continued pricing resilience in Europe amid CBAM and safeguard measures. Factoring in sustained spread improvement and cost optimization initiatives, we expect Netherlands EBITDA/t to improve to EUR75 by FY28. With only a 1-2% revision to our FY27-28E EBITDA, we maintain BUY and TP of Rs230.**

**Pricing resilience drives Q4 EBITDA beat**

Consolidated adj EBITDA of Rs99.5bn was ahead of estimates (+5.1% vs both Emkay and consensus) and increased ~20% QoQ due to higher realizations (~Rs3,100/t) and a 6.2% QoQ increase in sales volume, partly offset by higher coking coal costs during the quarter. EBITDA/t increased 13% QoQ to Rs11,406. India EBITDA stood at Rs98.4bn (up 18.7% QoQ), with EBITDA/t improving 18.7% to Rs15,885, amid strong pricing. Europe reported marginal EBITDA gain of Rs330mn (vs loss of Rs1.7bn in Q3) on strong Netherlands realizations, further supported by cost take-out efforts. Net debt stood at Rs801.4bn, improving 2% QoQ. TATA announced a dividend of Rs4/sh for FY26.

**UK breakeven in sight; India volume growth to moderate**

In Europe, we expect operating conditions to improve amid recent steel price hikes in the UK and European markets following safeguard measures, including a 60% reduction in tariff-free quotas and higher import duties, which should support a more balanced market environment. This is expected to gradually reduce EBITDA losses in the UK, with the business potentially reaching EBITDA breakeven by 2HFY27, assuming current pricing levels sustain. On balance, we factor in a 12-month delay in the commissioning of the 3mt UK EAF project due to delays in securing power connectivity. In India, the full benefit of the Kalinganagar ramp-up is expected to flow through from FY27, supporting incremental sales volume growth of 1.5mt over FY26, along with an additional 0.5mt contribution from the newly commissioned Ludhiana EAF plant.

**Strong Q1 outlook backed by improving cross-regional spreads**

We expect Q1 performance to remain strong, supported by margin expansion across geographies, backed by continued pricing resilience in Europe aided by CBAM and safeguard measures. Further, we expect Netherlands EBITDA/t to improve to EUR75 by FY28 from EUR34 in Q4FY26, while India EBITDA/t is expected to remain elevated at Rs16,000, driven by cost optimization initiatives and auto contract resets. Our EBITDA estimates remain broadly unchanged with only a 1-2% revision over FY27-28. We maintain BUY with an unchanged target price of Rs230.

Target Price – 12M	Mar-27
<b>Change in TP (%)</b>	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	6.0

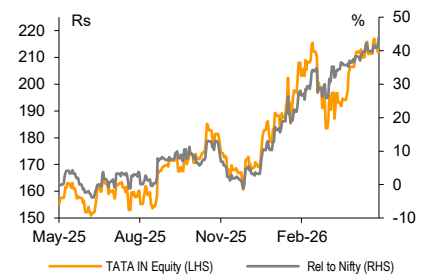
Stock Data	TATA IN
52-week High (Rs)	224
52-week Low (Rs)	150
Shares outstanding (mn)	12,483.5
Market-cap (Rs bn)	2,707
Market-cap (USD mn)	28,208
Net-debt, FY27E (Rs mn)	838,975.1
ADTV-3M (mn shares)	31.8
ADTV-3M (Rs mn)	6,741.1
ADTV-3M (USD mn)	70.2
Free float (%)	66.8
Nifty-50	23,643.5
INR/USD	96.0

**Shareholding, Mar-26**

Promoters (%)	33.2
FPIs/MFs (%)	18.6/27.3

**Price Performance**

(%)	1M	3M	12M
Absolute	3.9	6.7	37.8
Rel. to Nifty	6.5	15.0	46.1

**1-Year share price trend (Rs)****Tata Steel: Financial Snapshot (Consolidated)**

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	2,185,425	2,321,399	2,663,774	2,681,489	2,635,218
EBITDA	258,020	348,480	405,202	430,690	485,173
Adj. PAT	25,998	122,620	155,562	167,688	200,159
Adj. EPS (Rs)	2.1	9.8	12.5	13.4	16.0
EBITDA margin (%)	11.8	15.0	15.2	16.1	18.4
EBITDA growth (%)	10.3	35.1	16.3	6.3	12.7
Adj. EPS growth (%)	(24.4)	371.8	26.9	7.8	19.4
RoE (%)	2.8	12.7	14.6	14.4	15.7
RoIC (%)	2.7	11.0	12.1	12.3	13.8
P/E (x)	155.1	24.1	17.4	16.1	13.5
EV/EBITDA (x)	13.3	9.9	8.5	8.0	7.1
P/B (x)	3.0	2.6	2.4	2.2	2.0
FCFF yield (%)	2.3	6.0	3.5	6.3	5.8

Source: Company, Emkay Research

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## Key takeaways from the conference call

### Europe outlook

- The management expects operating conditions in Europe to improve supported by safeguard measures, including a 60% cut in tariff-free quotas and higher import duties, which are expected to improve regional steel spreads.
- The UK business is expected to approach EBITDA breakeven over the next few quarters, aided by stronger spreads and slab conversion economics.

### Netherland's coke oven and regulatory issue

- Tata Steel Netherlands is facing regulatory scrutiny around emissions compliance at its coke and gas plants (CGP), with Dutch authorities proposing stricter standards beyond EU norms.
- The management indicated that the aging coke ovens (40-50 years old) are likely to be shut in a planned and controlled manner as part of the transition toward DRI/EAF-based steelmaking.
- The key uncertainty relates to the absence of a clear regulatory timeline, which resulted in auditors flagging "material uncertainty" in TSN.
- The management emphasized that Netherlands operations are expected to remain EBITDA positive even if coke ovens are shut, although margins could moderate due to external coke procurement costs.

### UK EAF project

- The 3mt Port Talbot EAF project is facing ~12-month delay in power connectivity from the National Grid.
- TATA is exploring interim electricity access to undertake equipment trials and accelerate ramp-up once full connectivity is available.
- Until the EAF is commissioned, TATA plans to continue supplying slabs from India to the UK operations, which the management indicated remains EBITDA accretive at a consolidated level.

### Projects

- Kalinganagar Phase 2 ramp-up is now complete, with FY27 expected to capture the full benefit of the expansion.
- Incremental FY27 volumes are expected to increase by ~2mnt YoY, driven primarily by Kalinganagar, with partial contribution (~0.5mnt) from the Ludhiana EAF plant.
- Tata Steel continues to prioritize downstream/value-added expansion, including HR galvanizing, tinplate, tubes, wires, and color-coated steel capacities.
- NINL expansion planning is at an advanced stage, with final investment decision (FID) expected during FY27 and commissioning targeted around FY30.

### Guidance

- The management expects Q1FY27 realizations to improve sequentially by ~Rs6,000/t in India, ~GBP80/t in the UK, and ~EUR80/t in the Netherlands.
- Despite higher coking coal costs and West Asia-led supply chain disruptions, the management guided for margin expansion in India and the UK.

**Exhibit 1: Tata Steel delivered a strong beat in Q4, with consolidated adj EBITDA of Rs99.5bn**

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	7.5	7.3	7.7	8.4	8.2	8.2	-	0.4%	na	-1.8%	10.5%
Sales volume	mt	8.3	7.1	7.9	8.2	8.7	8.8	-	-0.3%	na	6.2%	4.7%
Revenue	Rs mn	562,181.1	531,781.2	586,892.9	570,024.0	632,701.3	676,407.0	623,457.2	-6.5%	1.5%	11.0%	12.5%
<b>Adj EBITDA</b>	<b>Rs mn</b>	<b>65,030.0</b>	<b>74,560.0</b>	<b>89,680.0</b>	<b>82,700.0</b>	<b>99,460.0</b>	<b>94,594.8</b>	<b>94,644.8</b>	<b>5.1%</b>	<b>5.1%</b>	<b>20.3%</b>	<b>52.9%</b>
EBITDA	Rs mn	67,620.0	74,800.0	91,060.0	83,090.0	99,530.0	94,594.8	94,644.8	5.2%	5.2%	19.8%	47.2%
<b>Adj EBITDA spread</b>	<b>Rs/t</b>	<b>7,806.7</b>	<b>10,471.9</b>	<b>11,337.5</b>	<b>10,073.1</b>	<b>11,406.0</b>	<b>10,810.8</b>	<b>10,816.5</b>	<b>5.5%</b>	<b>5.4%</b>	<b>13.2%</b>	<b>46.1%</b>
Net profit	Rs mn	13,008.1	20,776.8	31,017.5	26,887.0	29,257.4	27,630.2	31,725.4	5.9%	-7.8%	8.8%	124.9%
EPS	Rs	1.04	1.67	2.49	2.16	2.34	2.22	2.34	5.4%	0.0%	8.3%	125.0%
Net debt	Rs mn	825,790.0	848,350.0	870,400.0	818,340.0	801,440.0	-	-	-	-	-2.1%	-2.9%
Net debt-to-EBITDA	x	3.2	3.2	3.0	2.6	2.3	-	-	-	-	-11.2%	-28.1%
Capex	Rs mn	32,200.0	32,200.0	38,590.0	32,910.0	36,550.0	-	-	-	-	11.1%	13.5%
<b>India Business</b>												
Production	mt	5.5	5.2	5.7	6.3	6.2	6.3	-	-0.5%	-	-1.9%	12.9%
Sales volume	mt	5.6	4.8	5.6	6.0	6.2	6.2	-	0.0%	-	2.5%	10.5%
Revenue	Rs mn	346,610.0	311,370.0	347,870.0	357,250.0	386,540.0	355,783.6	-	8.6%	-	8.2%	11.5%
Adj EBITDA	Rs mn	74,260.0	74,630.0	85,160.0	82,520.0	98,330.0	92,626.0	-	6.2%	-	19.2%	32.4%
EBITDA	Rs mn	74,571.1	74,865.5	86,541.7	82,909.1	98,406.6	92,626.0	-	6.2%	-	18.7%	32.0%
EBITDA spread	Rs/t	13,260.7	15,711.6	15,344.1	13,662.3	15,885.3	14,963.8	-	6.2%	-	16.3%	19.8%
<b>Netherlands</b>												
Production	mt	1.6	1.7	1.7	1.7	1.6	1.6	-	0.0%	-	-3.0%	0.0%
Sales volume	mt	1.8	1.5	1.5	1.4	1.7	1.7	-	0.0%	-	21.4%	-2.9%
Revenue	Rs mn	147,690.0	146,190.0	157,190.0	140,010.0	170,160.0	169,270.2	-	0.5%	-	21.5%	15.2%
EBITDA	Rs mn	1,240.0	6,120.0	9,160.0	5,700.0	6,240.0	5,575.5	-	11.9%	-	9.5%	403.2%
EBITDA spread	Rs/t	708.6	4,080.0	5,948.1	4,071.4	3,670.6	3,279.7	-	11.9%	-	-9.8%	418.0%
<b>UK</b>												
Production	mt	0.0	0.0	0.0	0.0	0.0	0.0	-	na	-	na	na
Sales volume	mt	0.6	0.6	0.6	0.5	0.5	0.5	-	0.0%	-	0.0%	-17.5%
Revenue	Rs mn	60,010.0	60,960.0	59,270.0	55,360.0	57,740.0	56,784.7	-	1.7%	-	4.3%	-3.8%
EBITDA	Rs mn	-8,730.0	-4,680.0	-7,650.0	-7,420.0	-5,910.0	-6,322.8	-	6.5%	-	20.4%	32.3%
EBITDA spread	Rs/t	-13,857.1	-7,800.0	-13,421.1	-14,269.2	-11,365.4	-12,159.2	-	6.5%	-	20.4%	18.0%

Source: Company, Emkay Research

**Exhibit 2: FY27/FY28E EBITDA remains broadly unchanged**

Rs mn	FY26E			FY27E			FY28E		
	New	Old	Chg	New	Old	Chg	New	Old	Chg
<b>Financial metrics</b>									
Net sales	2,321,399.4	2,365,105.1	-1.8%	2,663,773.6	2,433,046.6	9.5%	2,681,489.1	2,524,465.4	6.2%
EBITDA	346,400.0	342,555.1	1.1%	405,201.9	398,680.7	1.6%	430,689.7	435,578.2	-1.1%
EBIT	237,997.1	235,870.3	0.9%	290,037.9	295,319.5	-1.8%	306,972.0	324,331.9	-5.4%
Rec Net profit	118,263.3	113,247.3	4.4%	155,561.7	150,212.5	3.6%	167,687.8	169,876.4	-1.3%
EPS (Rs)	9.5	9.1	4.5%	12.5	12.0	3.6%	13.4	13.6	-1.2%
DPS (Rs)	4.0	3.4	17.4%	5.0	4.8	3.6%	5.4	5.4	-1.2%
Net debt / (cash)	801,440.0	800,864.7	0.1%	838,975.0	798,644.7	5.0%	762,229.6	739,858.7	3.0%
<b>Operations</b>									
Production (kt)	31.7	31.5	0.6%	33.3	32.8	1.6%	33.7	34.2	-1.5%
Sales (kt)	32.0	32.2	-0.7%	32.5	31.7	2.3%	32.9	33.4	-1.5%

Source: Company, Emkay Research

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

## Exhibit 3: 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	2,185,425.1	2,321,399.4	2,663,773.6	2,681,489.1	2,635,218.2	Iron Ore (USD/t)	98.6	98.1	95.0	90.0	85.0
Operating expenses	1,924,125.1	1,974,999.4	2,258,571.7	2,250,799.5	2,150,045.2	Steel HRC (Rs/t)	50,034.0	50,612.5	54,000.0	54,000.0	54,000.0
<b>EBITDA</b>	<b>261,300.0</b>	<b>346,400.0</b>	<b>405,201.9</b>	<b>430,689.7</b>	<b>485,173.0</b>	Rebar (Rs/t)	53,759.1	52,036.7	55,000.0	55,000.0	55,000.0
Depreciation	104,213.3	119,545.1	130,135.6	138,515.9	147,605.7	<b>Capacity (mt)</b>					
EBIT	164,176.5	237,997.1	290,037.9	306,972.0	352,163.2	India	26.6	26.6	27.5	27.5	27.5
Interest and taxes	73,409.5	71,670.6	73,979.9	74,072.3	74,164.7	Consolidated	35.3	35.3	36.2	39.2	39.2
<b>Net earnings</b>	<b>42,751.5</b>	<b>118,263.3</b>	<b>155,561.7</b>	<b>167,687.8</b>	<b>200,158.9</b>	<b>Steel Production (mt)</b>	<b>30.9</b>	<b>31.7</b>	<b>33.3</b>	<b>33.7</b>	<b>35.5</b>
<b>EPS (Rs)</b>	<b>3.4</b>	<b>9.5</b>	<b>12.5</b>	<b>13.4</b>	<b>16.0</b>	Steel Sales (mt)	<b>31.0</b>	<b>32.0</b>	<b>32.5</b>	<b>32.9</b>	<b>34.7</b>
Dividend (Rs/sh)	3.6	4.0	5.0	5.4	6.4	<b>Blended realizations (Rs/t)</b>					
Number of shares	12,483.6	12,478.5	12,478.5	12,478.5	12,478.5	India	63,284.0	62,015.2	64,876.1	64,875.0	64,877.3
						Europe	104,393.6	137,927.5	145,921.1	140,921.1	106,967.5
<b>Balance sheet</b>						<b>Financial metrics</b>					
<b>Gross block</b>	<b>2,580,502.7</b>	<b>2,970,141.4</b>	<b>3,160,306.4</b>	<b>3,351,646.5</b>	<b>3,558,007.2</b>	EBITDA margin	11.8%	15.0%	15.2%	16.1%	18.4%
Inventories	445,899.4	472,492.2	547,350.7	514,258.2	505,384.3	EBITDA/t - Consol (Rs)	8,439.9	10,835.2	12,485.5	13,102.0	13,993.2
Receivables	52,600.6	49,168.9	72,980.1	73,465.5	72,197.8	EBITDA/t - India (Rs)	13,985.2	15,211.7	16,264.8	16,018.9	16,182.9
Payables	293,143.8	345,123.8	394,752.3	391,102.1	364,792.4	Net margin	2.0%	5.1%	5.8%	6.3%	7.6%
<b>Net working capital</b>	<b>205,356.2</b>	<b>176,537.3</b>	<b>225,578.5</b>	<b>196,621.5</b>	<b>212,789.7</b>	ROE	4.7%	12.1%	14.3%	14.2%	15.5%
Cash	116,469.8	100,575.3	84,841.8	161,587.2	206,759.4	ROCE	8.9%	12.0%	13.9%	14.0%	15.3%
Total assets	2,793,948.0	3,012,541.1	3,155,506.7	3,252,469.2	3,346,254.7	ROIC	7.6%	10.4%	12.0%	12.3%	13.9%
Total liabilities	1,880,420.2	1,974,736.6	2,024,365.1	2,020,714.9	1,994,405.2	Gross debt (Rs mn)	948,010.0	923,820.0	923,816.8	923,816.8	923,816.8
<b>Total Equity</b>	<b>913,527.8</b>	<b>1,037,804.5</b>	<b>1,131,141.5</b>	<b>1,231,754.2</b>	<b>1,351,849.6</b>	Net debt/(cash) (Rs mn)	825,790.0	801,440.0	838,975.0	762,229.6	717,057.4
<b>Cash flow</b>						<b>Valuation</b>					
Operating cash before WC	239,290.1	342,187.4	420,173.5	445,487.9	499,768.9	P/E (x)	44.9	22.9	17.4	16.1	13.5
Working capital and other	-4,172.0	8,457.2	-109,537.4	-36,254.9	-94,007.8	EV/EBITDA (x)	10.5	10.2	8.8	8.1	7.1
<b>Operating cash flow</b>	<b>235,118.1</b>	<b>350,644.6</b>	<b>310,636.0</b>	<b>409,233.0</b>	<b>405,761.1</b>	FCF yield	4.1%	7.6%	4.5%	8.0%	7.4%
Capex	-156,705.2	-145,590.5	-190,165.0	-191,340.1	-206,360.7	Dividend yield	2.3%	1.8%	2.3%	2.5%	3.0%
Other investing items	14,977.9	-3,462.6	0.0	0.0	0.0	<b>EV/EBITDA</b>	<b>Rs mn</b>	<b>Rs/sh</b>			
<b>Investing cash flow</b>	<b>-141,727.3</b>	<b>-149,053.1</b>	<b>-190,165.0</b>	<b>-191,340.1</b>	<b>-206,360.7</b>	India	3,193,801.8	255.9			
Borrowings/(repayments)	53,249.5	-91,054.2	0.0	0.0	0.0	Netherlands	314,212.5	25.2			
Equity changes	0.0	0.0	0.0	0.0	0.0	UK	116,947.8	9.4			
Other financing items	-121,399.1	-122,817.0	-136,204.6	-141,147.4	-154,228.2	SEA	14,959.5	1.2			
<b>Financing cash flow</b>	<b>-68,149.6</b>	<b>-213,871.2</b>	<b>-136,204.6</b>	<b>-141,147.4</b>	<b>-154,228.2</b>	Less: Net debt, minorities	817,568.0	65.5			
<b>Net change in cash</b>	<b>25,241.2</b>	<b>-12,279.7</b>	<b>-15,733.5</b>	<b>76,745.4</b>	<b>45,172.2</b>	<b>Equity Value</b>	<b>4,457,489.5</b>	<b>226.2</b>			
Ending cash	96,049.6	88,849.5	73,116.0	149,861.4	195,033.6	<b>Target price</b>			<b>230.0</b>		
Adj Free cash flow	-2,778.8	124,398.6	46,491.1	143,820.5	125,235.8	<b>Current price</b>			216.8		
						<b>Expected return</b>			6.1%		

Source: Company, Emkay Research

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

## Tata Steel: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
<b>Revenue</b>	<b>2,185,425</b>	<b>2,321,399</b>	<b>2,663,774</b>	<b>2,681,489</b>	<b>2,635,218</b>
Revenue growth (%)	(4.6)	6.2	14.7	0.7	(1.7)
<b>EBITDA</b>	<b>258,020</b>	<b>348,480</b>	<b>405,202</b>	<b>430,690</b>	<b>485,173</b>
EBITDA growth (%)	10.3	35.1	16.3	6.3	12.7
Depreciation & Amortization	104,213	119,545	130,136	138,516	147,606
<b>EBIT</b>	<b>153,807</b>	<b>228,935</b>	<b>275,066</b>	<b>292,174</b>	<b>337,567</b>
EBIT growth (%)	13.8	48.8	20.2	6.2	15.5
Other operating income	-	-	-	-	-
Other income	10,370	9,062	14,972	14,798	14,596
Financial expense	73,410	71,671	73,980	74,072	74,165
<b>PBT</b>	<b>90,767</b>	<b>166,327</b>	<b>216,058</b>	<b>232,900</b>	<b>277,999</b>
Extraordinary items	(8,546)	(10,325)	0	0	0
Taxes	69,144	48,311	60,496	65,212	77,840
Minority interest	2,467	920	0	0	0
Income from JV/Associates	1,908	3,685	0	0	0
<b>Reported PAT</b>	<b>17,452</b>	<b>112,295</b>	<b>155,562</b>	<b>167,688</b>	<b>200,159</b>
PAT growth (%)	0	543.5	38.5	7.8	19.4
<b>Adjusted PAT</b>	<b>25,998</b>	<b>122,620</b>	<b>155,562</b>	<b>167,688</b>	<b>200,159</b>
<b>Diluted EPS (Rs)</b>	<b>2.1</b>	<b>9.8</b>	<b>12.5</b>	<b>13.4</b>	<b>16.0</b>
Diluted EPS growth (%)	(24.4)	371.8	26.9	7.8	19.4
<b>DPS (Rs)</b>	<b>3.6</b>	<b>3.6</b>	<b>5.0</b>	<b>5.4</b>	<b>6.4</b>
<b>Dividend payout (%)</b>	<b>257.3</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>
EBITDA margin (%)	11.8	15.0	15.2	16.1	18.4
EBIT margin (%)	7.0	9.9	10.3	10.9	12.8
Effective tax rate (%)	76.2	29.0	28.0	28.0	28.0
<b>NOPLAT (pre-IndAS)</b>	<b>36,640</b>	<b>162,439</b>	<b>198,048</b>	<b>210,365</b>	<b>243,048</b>
Shares outstanding (mn)	12,484	12,478	12,478	12,478	12,478

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	84,129	159,687	216,058	232,900	277,999
Others (non-cash items)	(12,090)	350	0	0	0
Taxes paid	(26,242)	(45,966)	(60,496)	(65,212)	(77,840)
Change in NWC	22,070	54,423	(49,041)	28,957	(16,168)
<b>Operating cash flow</b>	<b>235,118</b>	<b>350,645</b>	<b>310,636</b>	<b>409,233</b>	<b>405,761</b>
Capital expenditure	(156,705)	(145,591)	(190,165)	(191,340)	(206,361)
Acquisition of business	(3,928)	(2,547)	0	0	0
Interest & dividend income	5,357	10,572	0	0	0
<b>Investing cash flow</b>	<b>(141,727)</b>	<b>(149,053)</b>	<b>(190,165)</b>	<b>(191,340)</b>	<b>(206,361)</b>
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	53,250	(91,054)	0	0	0
Payment of lease liabilities	0	0	0	0	0
Interest paid	(81,192)	(80,656)	(73,980)	(74,072)	(74,165)
Dividend paid (incl tax)	(44,899)	(44,899)	(62,225)	(67,075)	(80,064)
Others	4,691	2,737	0	0	0
<b>Financing cash flow</b>	<b>(68,150)</b>	<b>(213,871)</b>	<b>(136,205)</b>	<b>(141,147)</b>	<b>(154,228)</b>
Net chg in Cash	25,241	(12,280)	(15,734)	76,745	45,172
OCF	235,118	350,645	310,636	409,233	405,761
Adj. OCF (w/o NWC chg.)	213,048	296,222	359,677	380,276	421,929
FCFF	78,413	205,054	120,471	217,893	199,400
FCFE	10,360	143,955	46,491	143,821	125,236
OCF/EBITDA (%)	91.1	100.6	76.7	95.0	83.6
FCFE/PAT (%)	59.4	128.2	29.9	85.8	62.6
<b>FCFF/NOPLAT (%)</b>	<b>214.0</b>	<b>126.2</b>	<b>60.8</b>	<b>103.6</b>	<b>82.0</b>

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	12,474	12,474	12,474	12,474	12,474
Reserves & Surplus	899,222	1,009,202	1,102,539	1,203,152	1,323,247
<b>Net worth</b>	<b>911,696</b>	<b>1,021,677</b>	<b>1,115,014</b>	<b>1,215,626</b>	<b>1,335,722</b>
Minority interests	1,832	16,128	16,128	16,128	16,128
Non-current liab. & prov.	104,939	105,928	105,928	105,928	105,928
<b>Total debt</b>	<b>948,011</b>	<b>923,817</b>	<b>923,817</b>	<b>923,817</b>	<b>923,817</b>
<b>Total liabilities &amp; equity</b>	<b>2,107,816</b>	<b>2,219,920</b>	<b>2,313,257</b>	<b>2,413,870</b>	<b>2,533,965</b>
Net tangible fixed assets	1,252,152	1,498,782	1,558,811	1,611,636	1,670,391
Net intangible assets	186,314	209,437	209,437	209,437	209,437
Net ROU assets	80,880	100,727	100,727	100,727	100,727
Capital WIP	406,019	275,103	275,103	275,103	275,103
Goodwill	-	-	-	-	-
Investments [JV/Associates]	145,306	155,896	155,896	155,896	155,896
<b>Cash &amp; equivalents</b>	<b>116,440</b>	<b>100,575</b>	<b>84,842</b>	<b>161,587</b>	<b>206,759</b>
Current assets (ex-cash)	567,476	624,626	723,296	690,689	680,547
Current Liab. & Prov.	646,770	745,226	794,855	791,205	764,895
<b>NWC (ex-cash)</b>	<b>(79,325)</b>	<b>(120,600)</b>	<b>(71,559)</b>	<b>(100,516)</b>	<b>(84,347)</b>
<b>Total assets</b>	<b>2,107,816</b>	<b>2,219,920</b>	<b>2,313,257</b>	<b>2,413,870</b>	<b>2,533,965</b>
Net debt	831,541	823,242	838,975	762,230	717,057
Capital employed	2,107,816	2,219,920	2,313,257	2,413,870	2,533,965
<b>Invested capital</b>	<b>1,359,141</b>	<b>1,587,619</b>	<b>1,696,690</b>	<b>1,720,557</b>	<b>1,795,480</b>
BVPS (Rs)	73.0	81.9	89.4	97.4	107.0
Net Debt/Equity (x)	0.9	0.8	0.8	0.6	0.5
Net Debt/EBITDA (x)	3.2	2.4	2.1	1.8	1.5
Interest coverage (x)	2.2	3.3	3.9	4.1	4.7
<b>RoCE (%)</b>	<b>9.0</b>	<b>12.5</b>	<b>14.4</b>	<b>14.6</b>	<b>15.9</b>

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	155.1	24.1	17.4	16.1	13.5
EV/CE(x)	1.8	1.8	1.7	1.6	1.5
P/B (x)	3.0	2.6	2.4	2.2	2.0
EV/Sales (x)	1.6	1.5	1.3	1.3	1.3
EV/EBITDA (x)	13.3	9.9	8.5	8.0	7.1
EV/EBIT(x)	22.4	15.0	12.5	11.8	10.2
EV/IC (x)	2.5	2.2	2.0	2.0	1.9
FCFF yield (%)	2.3	6.0	3.5	6.3	5.8
FCFE yield (%)	0.4	5.3	1.7	5.3	4.6
Dividend yield (%)	1.7	1.7	2.3	2.5	3.0
<b>DuPont-RoE split</b>					
Net profit margin (%)	1.2	5.3	5.8	6.3	7.6
Total asset turnover (x)	1.1	1.1	1.2	1.2	1.1
Assets/Equity (x)	2.2	2.1	2.0	1.9	1.9
<b>RoE (%)</b>	<b>2.8</b>	<b>12.7</b>	<b>14.6</b>	<b>14.4</b>	<b>15.7</b>
<b>DuPont-RoIC</b>					
NOPLAT margin (%)	1.7	7.0	7.4	7.8	9.2
IC turnover (x)	1.6	1.6	1.6	1.6	1.5
<b>RoIC (%)</b>	<b>2.7</b>	<b>11.0</b>	<b>12.1</b>	<b>12.3</b>	<b>13.8</b>
<b>Operating metrics</b>					
Core NWC days	(13.2)	(19.0)	(9.8)	(13.7)	(11.7)
<b>Total NWC days</b>	<b>(13.2)</b>	<b>(19.0)</b>	<b>(9.8)</b>	<b>(13.7)</b>	<b>(11.7)</b>
Fixed asset turnover	0.9	0.8	0.9	0.8	0.8
Opex-to-revenue (%)	88.2	85.0	84.8	83.9	81.6

Source: Company, Emkay Research

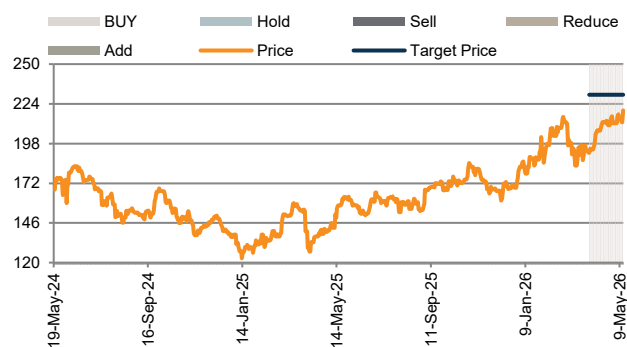
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**RECOMMENDATION HISTORY - DETAILS**

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
08-Apr-26	204	230	Buy	Akhilesh Kumar
31-Mar-26	192	230	Buy	Akhilesh Kumar

Source: Company, Emkay Research

**RECOMMENDATION HISTORY - TREND**



Source: Company, Bloomberg, Emkay Research

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<b>REDUCE</b>	5% upside to 15% downside
<b>SELL</b>	>15% downside

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