Tata Steel (TATA IN)

Q1FY27 Result Update

August 01, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Accumulate		Accumulate	
Target Price	212		226	
Sales (INR bn)	2,853	3,015	2,719	2,828
% Chng.	*4.9*	*6.6*		
EBITDA (INR bn)	457	468	466	477
% Chng.	*(1.9)*	*(1.9)*		
EPS (INR)	13.7	13.0	15.7	15.0
% Chng.	*(12.7)*	*(13.3)*		

Key Data

Key Data	TISC.BO | TATA IN
BSE Code	500470
NSE Code	TATASTEEL
52-W High / Low	INR 224 / INR 152
Face Value	1
Sensex / Nifty	78,095 / 24,384
Market Cap	INR 2,368 bn / $ 24,825 mn
Shares Outstanding	12483.53 mn
3M Avg. Daily Value	INR 6,001.10 mn

Shareholding Pattern (%)

Promoters	32.94
FIIs	19.37
Mutual Funds	14.71
Domestic Institutions	11.91
Public & Others	21.07
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	0.9	(10.3)	(1.8)	20.1
Relative	(1.2)	(11.6)	3.5	24.9

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR bn)	2,185	2,321	2,853	3,015
EBITDA (INR bn)	253	344	457	468
Margin (%)	*11.6*	*14.8*	*16.0*	*15.5*
PAT (INR bn)	37	115	171	163
EV (INR bn)	3,137	3,121	3,113	3,091
Total Debt (INR bn)	890	850	790	730
C&C Eq. (INR bn)	116	101	49	11
EPS (INR)	3.0	9.2	13.7	13.1
Gr. (%)	*24.9*	*208.0*	*48.8*	*(4.5)*
DPS (INR)	3.6	4.0	4.4	4.8
Yield (%)	*1.9*	*2.1*	*2.3*	*2.6*
RoE (%)	*4.1*	*11.9*	*15.8*	*13.6*
RoCE (%)	*8.4*	*12.2*	*15.8*	*15.5*
EV/Sales (x)	1.4	1.3	1.1	1.0
EV/EBITDA (x)	12.4	9.1	6.8	6.6
PE (x)	63.4	20.6	13.8	14.5
P/BV (x)	2.6	2.3	2.1	1.9

India anchors earnings; TSN gets a breather

Quick Pointers

- Volumes to improve as EAF ramps up & rest of assets normalize post maintenance shutdown undertaken.
- Q2 NSR to be -INR1,500/t at TSI and +GBP80/EUR10 at TSUK/TSN; coking coal higher by USD5/10 at TSN/TSI.

Tata Steel (TATA) reported an in-line Q1FY27 with continued robust India operating performance aided by higher steel pricing. Volumes grew 9% YoY due to planned maintenance shutdowns at Meramandali and KPO, while a sharp recovery in domestic steel prices drove NSR higher offsetting the impact of higher coking coal costs. As a result, TSI delivered EBITDA/t of INR17.8k. Europe remained a mixed bag-Tata Steel UK (TSUK) continued to improve with losses narrowing on better pricing and restructuring benefits, while Tata Steel Netherlands (TSN) remained weak due to the temporary shutdown of the 1.4mtpa Direct Sheet Plant (DSP), higher raw material costs and wage revisions. Going forward, the temporary restart of DSP from 5th Aug'26 provides some relief for TSN, with mgmt. expecting the emission issue to be largely addressed. However, this consent to operate remains subject to regulatory assessment after the trial period. TSUK remains on track to achieve EBITDA breakeven in H2FY27, supported by improving steel spreads. In India, NSR is expected to moderate in Q2 by INR1,500/t while coking coal costs are likely to move higher ($5/t) before easing in H2FY27.

Although the near-term overhang from TSN appears to be easing, the pace of capacity addition in the fast-growing Indian steel market remains the key long-term monitorable. Management is focusing on high margin downstream capacities in the near term while upstream addition across KPO, Miramandali, Maharashtra and EAFs remain in planning stage. With the NINL expansion expected to be completed over the next four years, mgmt. reiterated its preference for value-led growth over volume growth, with the near-term focus on richer product mix. Key monitorables include: (a) permanent resolution of TSN's regulatory issues, (b) execution of the NINL expansion, (c) steel spreads across regions, and (d) progress on the Port Talbot EAF and full electrification. We tweak our EBITDA estimates by 2% each for FY27/28E and expect EBITDA CAGR of 17% over FY26-28E on the back of superior domestic performance. At CMP, the stock is trading at 6.8x/6.6x EV of FY27/28E EBITDA. We maintain 'Accumulate' rating with revised TP of INR 212 (INR 226 earlier) valuing at 7.5x EV/TSI EBITDA and 5x TSE EBITDA.

Other important points:

- Cost efficiency program is targeting Rs 71.4bn of cost optimization in FY27.
- Capex in Q1FY27 stood at INR35.8bn. Net debt increased by ~INR40.3bn QoQ to Rs841.73bn. Net debt to EBITDA at 2.3x.
- TATA accelerated depreciation on certain mining assets ahead of mine lease re-auctions in 2030, resulting in an additional depreciation charge of INR3bn/quarter.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Net Sales (INR bn)	585	608	4.0	532	14.0
EBITDA (INR bn)	93	93	-	74	26.0
Margin (%)	*16.0*	*15.2*	*-80 bps*	*14.0*	*120 bps*
PAT (INR bn)	20	25	25.0	22	14.0

Source: Company, PL

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Strong pricing cushions volume impact: TSI sales volume increased just 9% YoY to 5.17mt (-16.5% QoQ) as production and deliveries were affected by maintenance shutdowns in Meramandali and Kalinganagar. Average realization improved sharp 15% QoQ at INR71,367/t (+9.3% YoY; PLe INR67,703/t) primarily driven by uplift in steel realizations by ~INR6k/t QoQ. TSI revenue increased 19% YoY to INR369bn (-4% QoQ; PLe INR350.5bn). Export volumes declined 57% QoQ to 0.3mt (~5.8% of volumes). In domestic, retail & engineering goods segment grew 29% and 14% YoY respectively, while infra remained flat YoY, autos grew 18% YoY to1.3mt. NINL EBITDA stood at ~INR5bn with strong 29% margins. Standalone EBITDA grew 29% YoY to INR91.83bn (PLe INR92.44bn). RM cost/t at INR24,873/t was higher due to rise in coking coal consumption cost, other expenses/t increased 8% YoY to INR24,814 on higher power & fuel, staff costs decreased 7% YoY to INR3,917/t. Working capital was impacted by inventory build-up of 371kt in Q1 due to operational and supply chain disruptions, and an increase in prices. Resultant, EBITDA/t increased 18.5% YoY to INR17,762/t (PLe INR17,856).

TSN drag offsets UK improvement: TSUK EBITDA loss reduced QoQ to GBP56/t (-92 in Q4) despite volumes declining 8% QoQ to 0.48mt; aided by higher NSR which were up 11% QoQ to GBP1,001/t. Other expenses increased 4% QoQ. Narrowing losses at TSUK is the impact of targeted improvement initiatives and better pricing supported by trade measures. Performance improved despite the pickle line fire at Port Talbot. TSN sales volumes declined 18% QoQ to 1.4mt while NSR was up 9% QoQ to GBP887/t. TSN EBITDA/t declined to GBP2/t from GBP30/t QoQ on higher RM costs mainly coking coal costs, and increased employee costs due to wage revision. TSN performance was impacted also by the temporary shutdown of Direct sheet plant. TSN is progressing towards its restart and is in discussion with the local regulator.

Q1FY27 Conference Call Highlights:

India Operations

- Annual maintenance shutdowns at Meramandali and operational issues at Kalinganagar impacted Q1 production and deliveries. Most of these issues have now been resolved.
- Mgmt. expects NSR to soften by INR1,500/t in Q2, mainly due to weaker long product prices during the monsoon, while flat steel prices should remain relatively resilient supported by the auto segment.
- Auto contract negotiations concluded towards the end of Q1 and the some of the benefits of the same will start flowing through from Q2. Domestic demand remains healthy, with auto demand continuing to be strong, while long products are expected to remain seasonally weak during the monsoon.

Cost & Raw Materials

- The West Asia conflict resulted in an unplanned cost increase of INR12bn due to higher freight, energy, insurance and consumable costs. RM costs increased due to higher coking coal costs and increased purchases of rebar from NINL and Thailand.
- Coking coal consumption costs are expected to increase by US$5/t QoQ in India and US$10/t in TSN during Q2.
- Iron ore production is expected to increase from 45mt to 50mt in the near term. ~90% of current iron ore production comes from legacy mines, while production from newer mines is expected to ramp up gradually.

Tata Steel UK (TSUK)

- Sequential improvement in profitability was driven by better steel prices, ongoing restructuring initiatives and safeguard measures despite lower volumes.
- UK safeguard measures and lower tariff-free import quotas are supporting domestic steel prices, although management believes the measures still fall short across certain product categories.

- Mgmt. remains confident of achieving EBITDA breakeven in H2FY27 despite the quota changes. Management expects UK spreads to improve further in Q2 despite some increase in substrate costs.
- The Port Talbot pickling line fire impacted Q1 volumes (10kt), with operations expected to normalize by Q3.
- EAF construction remains largely on schedule with major equipment ordered and piling work progressing well. Delay in the high-voltage grid connection remains the key bottleneck.

Tata Steel Netherlands (TSN)

- The Direct Sheet Plant (DSP), which accounts for around 20% of production (1.4mt), remained shut during Q1 due to emission-related regulatory issues. TSN has been allowed a one-month trial restart from 5th Aug after replacement of tunnel furnace rollers. Mgmt. believes emissions have reduced significantly and is optimistic about securing a long-term operating approval.
- TSN performance is expected to improve in Q2 with the restart of the DSP. Realizations are expected to improve modestly, largely offsetting higher coking coal costs.
- Near-term European demand remains subdued due to higher inventory levels as customers stocked up ahead of CBAM and quota-related regulatory changes.

Capex & Growth Projects

- Board approved the 4.8mtpa steelmaking expansion at NINL (INR338.7bn capex), increasing total site capacity to 6.2mtpa. The project will primarily cater to long products including wire rods and rebars and is expected to be commissioned within 48 months (FY31).
- The NINL capex also includes enabling infrastructure and utilities required for future expansion. Mine expansion will be undertaken separately in phases.
- NINL's merger with Tata Steel is expected to be completed by the end of FY27.
- KPO PhII and the Ludhiana EAF continue to ramp up well, with Ludhiana expected to contribute for the full year in FY28.
- Maharashtra project remains the TATA's largest long-term growth opportunity with land capacity for 15mtpa (three 5mtpa BFs). EAF-based projects are also being evaluated in western and southern India.

Value-added Products

- TATA continues to expand its value-added product portfolio and sees significant opportunities in automotive, shipbuilding and data centre applications.
- Data centres are emerging as another focus area, with Tata Steel supplying steel for structural and storage infrastructure in both India and Europe.

Exhibit 1: Quarterly Estimates

(INR bn)	Q1FY27A	*YoY gr.*	Q2FY27E	*YoY gr.*	Q3FY27E	*YoY gr.*	Q4FY27E	*YoY gr.*
Revenue from Operations	607.9	*14.3%*	687.5	*17.1%*	747.1	*31.1%*	810.7	*28.1%*
EBITDA	92.6	*24.7%*	109.9	*23.5%*	120.9	*47.4%*	133.2	*35.5%*
Margin (%)	*15.2%*		*16.0%*		*16.2%*		*16.4%*	
Adjusted PAT	25.3	*17.0%*	48.4	*41.5%*	56.1	*101.3%*	41.3	*31.8%*

Source: Company, PL

Exhibit 2: Q1FY27 Result Overview (INR bn)

Y/e March	1QFY27	1QFY26	YoY gr. (%)	1QFY27E	% Var.	4QFY26	QoQ gr. (%)	FY27E	FY26	YoY gr. (%)
Net Sales	**607.9**	**531.8**	***14.3***	**584.6**	***4.0***	**632.7**	***(3.9)***	**2,853.2**	**2,321.4**	***22.9***
Raw Material	229.5	205.8	*11.5*	236.2	*(2.8)*	261.7	*(12.3)*	1,109.4	936.2	*18.5*
% of Net Sales	*37.8*	*38.7*		*40.4*		*41.4*		*38.9*	*40.3*	
Staff Costs	72.3	66.0	*9.5*	68.4	*5.7*	67.0	*7.9*	315.0	260.0	*21.2*
% of Net Sales	*11.9*	*12.4*		*11.7*		*10.6*		*11.0*	*11.2*	
Other Expenses	213.5	185.7	*14.9*	186.6	*14.4*	205.7	*3.8*	972.2	781.7	*24.4*
% of Net Sales	*35.1*	*34.9*		*31.9*		*32.5*		*34.1*	*33.7*	
Total Expenditure	515.3	457.5	*12.6*	491.2	*4.9*	534.4	*(3.6)*	2,396.7	1,978	*21.2*
EBITDA	**92.6**	**74.3**	***24.7***	**93.4**	***(0.8)***	**98.3**	***(5.7)***	**456.6**	**343.5**	***32.9***
Margin (%)	*15.2*	*14.0*		*16.0*		*15.5*		*16.0*	*14.8*	
Depreciation	36.4	27.4	*32.6*	38.0	*(4.2)*	32.7	*11.4*	155.2	119.5	*29.8*
Other income	2.3	2.9	*(19.4)*	2.3	*2.8*	2.5	*(6.4)*	13.3	14.0	*(5.3)*
EBIT	**58.6**	**49.7**	***17.8***	**57.7**	***1.6***	**68.1**	***(14.0)***	**314.7**	**238.0**	***32.2***
Interest	17.7	18.5	*(4.4)*	19.8	*(10.6)*	17.9	*(1.2)*	68.8	71.7	*(3.9)*
PBT	**40.9**	**31.2**	***31***	**37.9**	***7.9***	**50.2**	***(18.5)***	**245.8**	**166.3**	***47.8***
Extraordinary income/(expense)	(3.5)	(1.3)	*NA*	-	*NA*	(3.4)	*NA*	-	(10.3)	*NA*
PBT (After EO)	**37.4**	**29.9**	***25***	**37.9**	***(1)***	**46.8**	***(20.0)***	**245.8**	**156.0**	***57.6***
Tax	33.0	10.6	*211*	18.7	*76*	18.5	*78.7*	78.9	50.8	*55.2*
% PBT	*88.1*	*35.5*		*49.4*		*39.5*		*32.1*	*32.6*	
Reported PAT	**4.4**	**19.3**	***(77)***	**19.2**	***(77)***	**28.3**	***(84.3)***	**167.0**	**105.2**	***58.7***
Minority interest	0.7	(0.70)	*NA*	0.4	*67*	0.39	*70.4*	-	0.92	*NA*
Share of profit/(loss) of associates	1.0	0.8	*21*	0.8	*19*	1.3	*(28.3)*	4.1	3.7	*10.0*
Net Profit attributable to shareholders	**4.7**	**20.8**	***(77)***	**19.6**	***(76)***	**29.3**	***(83.8)***	**171.0**	**107.9**	***58.4***
Adjusted Net Profit attributable to shareholders	**25.3**	**21.6**	***17***	**19.6**	***29***	**31.3**	***(19.2)***	**171.0**	**115.0**	***48.7***

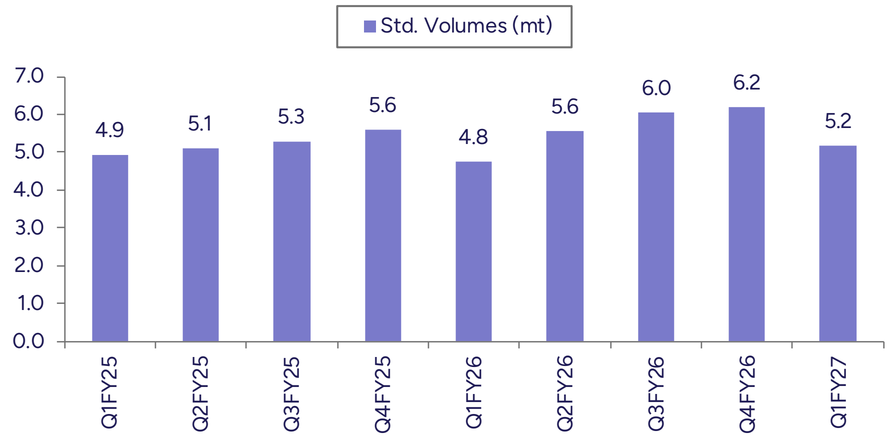
Source: Company, PL

Exhibit 3: Operating Performance

Y/e March	1QFY27	1QFY26	YoY gr. (%)	1QFY27E	% Var.	4QFY26	QoQ gr. (%)	FY27E	FY26	YoY gr. (%)
Indian Operations										
Volume (mt)	5.2	4.8	*8.8*	5.2	*(0.1)*	6.2	*(16.5)*	24.5	22.5	*8.9*
Revenue (INR bn)	369.0	310.1	*19.0*	350.5	*5.3*	384.5	*(4.0)*	1,709.7	1,397.2	*22.4*
EBITDA (INR bn)	91.8	71.2	*29.0*	92.4	*(0.7)*	94.7	*(3.1)*	419.9	324.7	*29.3*
Realization (INR/t)	71,367	65,293	*9.3*	67,703	*5.4*	62,113	*14.9*	69,665	62,015	*12.3*
EBITDA (INR/t)	17,762	14,988	*18.5*	17,856	*(0.5)*	15,303	*16.1*	17,112	14,413	*18.7*
Europe operations (TSUK +TSN)										
Volume (mt)	1.9	2.1	*(10.5)*	1.9	*-*	2.2	*(15.3)*	8.4	8.4	*-*
Revenue (USD mn)	2,314.5	2,420.5	*(4.4)*	2,308.2	*0.3*	2,492.6	*(7.1)*	10,538	9,584.4	*9.9*
EBITDA (USD mn)	(31.9)	16.9	*NA*	(29.7)	*NA*	3.5	*NA*	1,534	18.4	*8,216.3*
Realization/t (USD)	1,231	1,153	*6.8*	1,228	*0.3*	1,123	*9.6*	1,262	1,148	*9.9*
EBITDA/t (USD)	(17.0)	8	*NA*	(15.8)	*NA*	1.6	*NA*	22.0	2	*896.0*

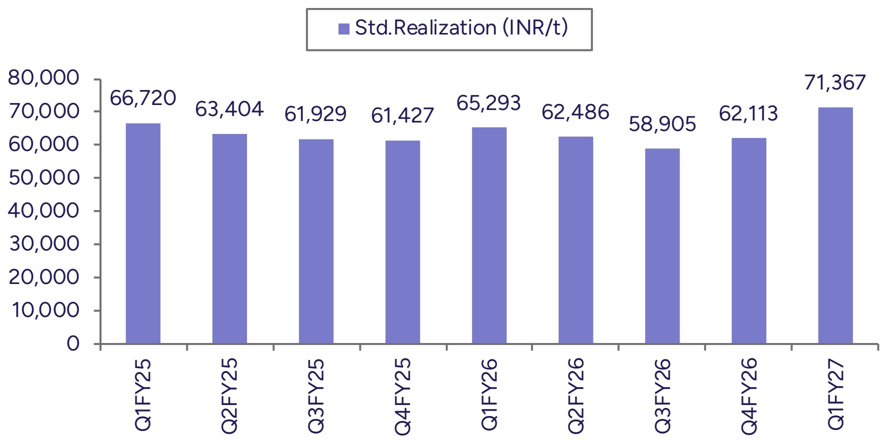
Source: Company, PL

Exhibit 4: TSI volumes increased 9% YoY due to seasonality



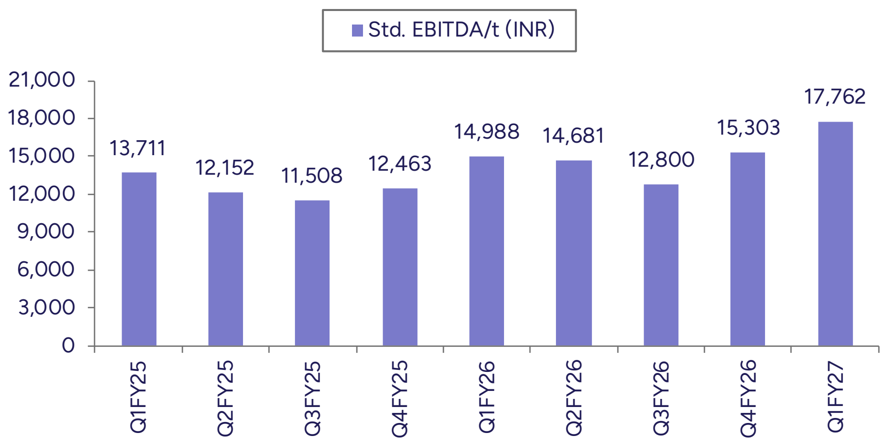
Source: Company, PL

Exhibit 5: TSI NSR up 15% QoQ primarily driven by uplift in steel realizations



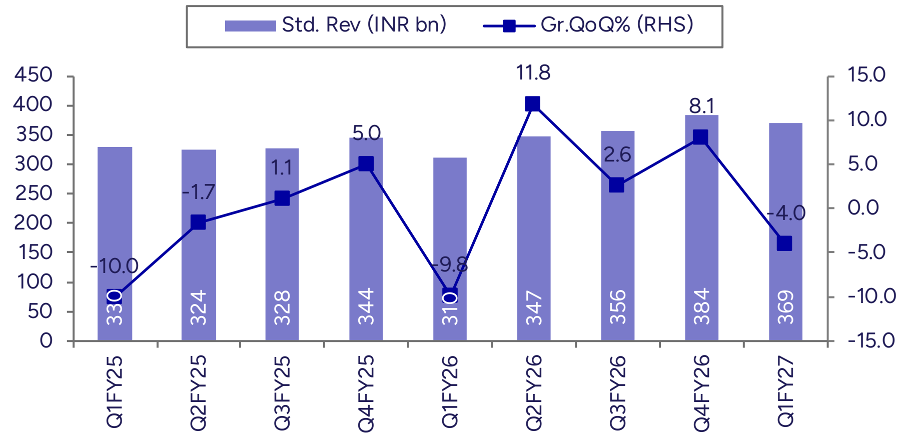
Source: Company, PL

Exhibit 6: TSI EBITDA/t increased 18.5% YoY on strong pricing



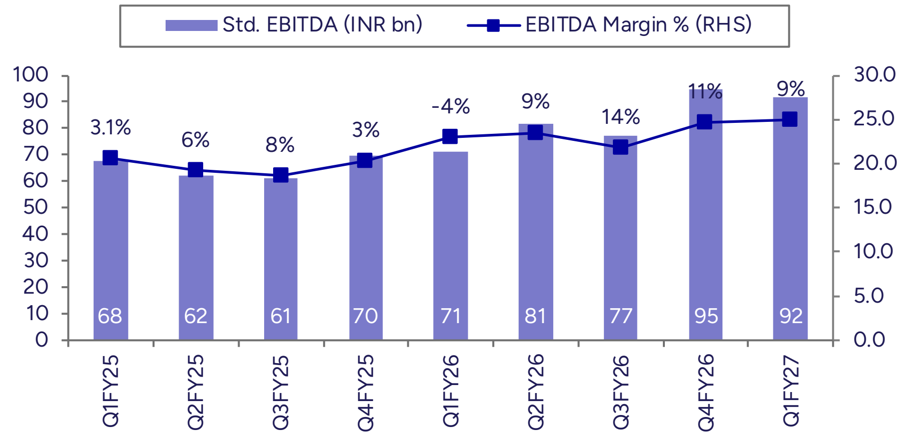
Source: Company, PL

Exhibit 7: Stdl revenue up 19% YoY on strong pricing despite decent volumes



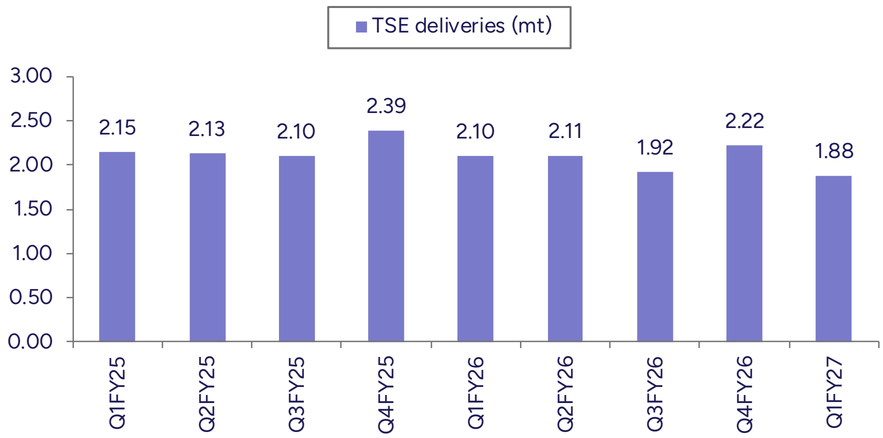
Source: Company, PL

Exhibit 8: Higher steel prices aids in margin expansion



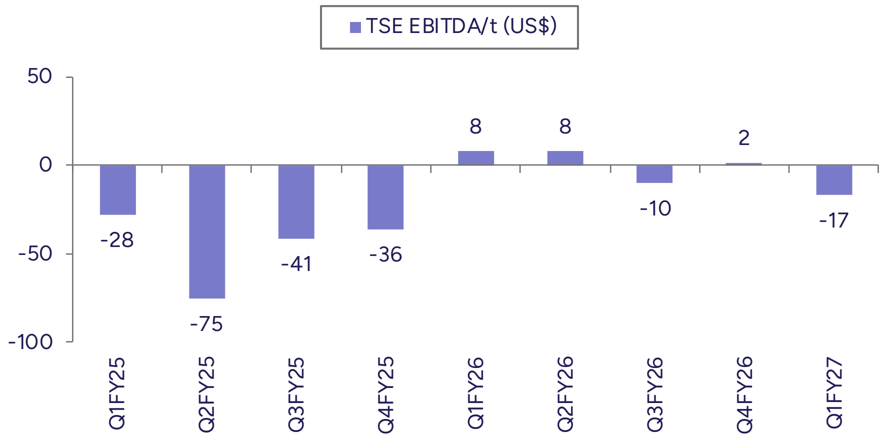
Source: Company, PL

Exhibit 9: TSE volumes lower due to production loss at both entities



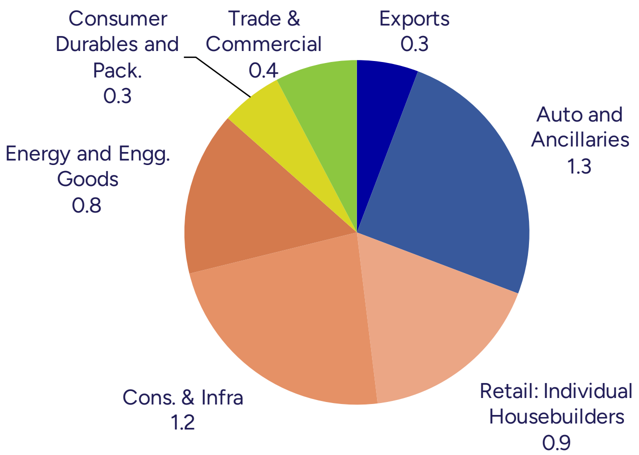
Source: Company, PL

Exhibit 10: TSE slips back into losses



Source: Company, PL

Exhibit 11: TSI: End use sectors snapshot for Q1FY27 (mt)



Source: Company, PL

Exhibit 12: Valuation Summary

Figures in INR bn	EV/EBITDA (Mar28E)	EBITDA (INR bn)	Value (INR bn)
Indian operations	7.5	420	3,151
Other domestic operations	6.0	14	85
Tata steel Europe	5.0	25	124
South East Asean operations	5.0	9	44
Total EV			3,404
Debt			804
Cash			48
Net debt			756
Shareholder's value			2,648
Value per share			**212**

Source: PL

Financials

Income Statement (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**2,185**	**2,321**	**2,853**	**3,015**
YoY gr. (%)	*(4.6)*	*6.2*	*22.9*	*5.7*
Cost of Goods Sold	950	936	1,109	1,165
Gross Profit	1,235	1,385	1,744	1,850
Margin (%)	*56.5*	*59.7*	*61.1*	*61.4*
Employee Cost	249	260	315	335
Other Expenses	734	782	972	1,047
EBITDA	**253**	**344**	**457**	**468**
YoY gr. (%)	*13.4*	*35.8*	*32.9*	*2.5*
Margin (%)	*11.6*	*14.8*	*16.0*	*15.5*
Depreciation and Amortization	104	120	155	164
EBIT	**149**	**224**	**301**	**304**
Margin (%)	*6.8*	*9.6*	*10.6*	*10.1*
Net Interest	73	72	69	64
Other Income	15	14	13	-
Profit Before Tax	**82**	**156**	**246**	**240**
Margin (%)	*3.8*	*6.7*	*8.6*	*8.0*
Total Tax	52	51	79	81
Effective Tax Rate (%)	*63.7*	*32.6*	*32.1*	*33.7*
Profit After Tax	**30**	**105**	**167**	**159**
Minority Interest	(2)	1	-	-
Share Profit from Associate	2	4	4	4
Adjusted PAT	**37**	**115**	**171**	**163**
YoY gr. (%)	*24.9*	*208.0*	*48.8*	*(4.5)*
Margin (%)	*1.7*	*4.9*	*6.0*	*5.4*
Extra Ord. Income / (Exp)	(3)	(7)	-	-
Reported PAT	**34**	**108**	**171**	**163**
YoY gr. (%)	*(177.1)*	*215.6*	*58.4*	*(4.5)*
Margin (%)	*1.6*	*4.6*	*6.0*	*5.4*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	34	108	171	163
Equity Shares O/s (bn)	**12**	**12**	**12**	**12**
EPS (INR)	**3.0**	**9.2**	**13.7**	**13.1**

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**2,653**	**3,135**	**3,330**	**3,515**
Tangibles	2,653	3,135	3,330	3,515
Intangibles	-	-	-	-
Acc: Dep / Amortization	**1,204**	**1,411**	**1,566**	**1,730**
Tangibles	1,204	1,411	1,566	1,730
Intangibles	-	-	-	-
Net Fixed Assets	**1,450**	**1,724**	**1,764**	**1,784**
Tangibles	1,450	1,724	1,764	1,784
Intangibles	-	-	-	-
Capital Work In Progress	425	301	301	301
Goodwill	60	75	75	75
Non-Current Investments	75	77	81	86
Net Deferred Tax Assets	(105)	(106)	(109)	(112)
Other Non-Current Assets	61	62	62	62
Current Assets				
Investments	4	10	10	10
Inventories	446	472	602	677
Trade Receivables	53	49	78	99
Cash & Bank Balance	116	101	49	11
Other Current Assets	46	57	57	57
Total Assets	**2,794**	**3,013**	**3,164**	**3,247**
Equity				
Equity Share Capital	12	12	12	12
Other Equity	899	1,009	1,130	1,239
Total Networth	**912**	**1,022**	**1,143**	**1,251**
Non-Current Liabilities				
Long Term Borrowings	890	850	790	730
Provisions	58	60	60	60
Other Non Current Liabilities	117	142	142	142
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	342	404	444	460
Other Current Liabilities	315	353	400	416
Total Equity & Liabilities	**2,794**	**3,013**	**3,164**	**3,247**

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	84	160	246	240
Add. Depreciation	104	120	155	164
Add. Interest	73	72	69	64
Less Financial Other Income	15	14	13	-
Add. Other	(22)	(9)	(9)	-
Op. Profit before WC Changes	239	342	461	468
Net Changes-WC	22	54	(71)	(64)
Direct Tax	(26)	(46)	(76)	(78)
Net Cash from Op. Activities	**235**	**351**	**313**	**326**
Capital Expenditures	(144)	(159)	(196)	(184)
Interest / Dividend Income	5	11	9	-
Others	(3)	-	-	-
Net Cash from Invt. Activities	**(142)**	**(149)**	**(187)**	**(184)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	53	(91)	(60)	(60)
Dividend Paid	(45)	(45)	(50)	(55)
Interest Paid	(81)	(81)	(69)	(64)
Others	3	3	-	-
Net Cash from Fin. Activities	**(70)**	**(214)**	**(179)**	**(179)**
Net Change in Cash	**23**	**(12)**	**(52)**	**(37)**
Free Cash Flow	78	205	118	142

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**587**	**570**	**633**	**608**
YoY gr. (%)	*8.9*	*6.3*	*12.5*	*14.3*
Raw Material Expenses	244	224	262	230
Gross Profit	343	346	371	378
Margin (%)	*58.4*	*60.6*	*58.6*	*62.2*
EBITDA	**89**	**82**	**98**	**93**
YoY gr. (%)	*55.0*	*82.6*	*49.8*	*24.7*
Margin (%)	*15.2*	*14.4*	*15.5*	*15.2*
Depreciation / Depletion	29	30	33	36
EBIT	**60**	**52**	**66**	**56**
Margin (%)	*10.2*	*9.0*	*10.4*	*9.3*
Net Interest	18	17	18	18
Other Income	4	5	2	2
Profit before Tax	**42**	**38**	**47**	**37**
Margin (%)	*7.1*	*6.6*	*7.4*	*6.2*
Total Tax	10	11	18	15
Effective Tax Rate (%)	*24.9*	*30.2*	*39.5*	*38.8*
Profit After Tax	**31**	**26**	**28**	**23**
Minority Interest	1	-	-	1
Share Profit from Associate	1	1	1	1
Adjusted PAT	**34**	**28**	**31**	**25**
YoY gr. (%)	*399.8*	*2,045.4*	*107.9*	*17.0*
Margin (%)	*5.8*	*4.9*	*4.9*	*4.2*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**31**	**27**	**29**	**23**
YoY gr. (%)	*272.2*	*723.1*	*124.9*	*11.6*
Margin (%)	*5.3*	*4.7*	*4.6*	*3.8*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**31**	**27**	**29**	**23**
Avg. Shares O/s (bn)	12	12	12	12
EPS (INR)	**2.7**	**2.2**	**2.5**	**2.0**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	3.0	9.2	13.7	13.1
CEPS	11.3	18.8	26.1	26.3
BVPS	73.1	81.9	91.6	100.3
FCF	6.3	16.4	9.4	11.3
DPS	3.6	4.0	4.4	4.8
Return Ratio (%)				
RoCE	8.4	12.2	15.8	15.5
ROIC	3.3	8.8	11.1	10.4
RoE	4.1	11.9	15.8	13.6
Balance Sheet				
Net Debt : Equity (x)	0.8	0.7	0.6	0.6
Net Working Capital (Days)	26	18	30	38
Valuation (x)				
PER	63.4	20.5	13.8	14.4
P/B	2.5	2.3	2.0	1.8
P/CEPS	16.7	10.0	7.2	7.2
EV/EBITDA	12.3	9.0	6.8	6.6
EV/Sales	1.4	1.3	1.0	1.0
Dividend Yield (%)	1.8	2.1	2.3	2.5
FCFF Yield (%)	3.3	8.6	4.9	5.9
PEG Ratio	2.5	-	0.2	(3.3)

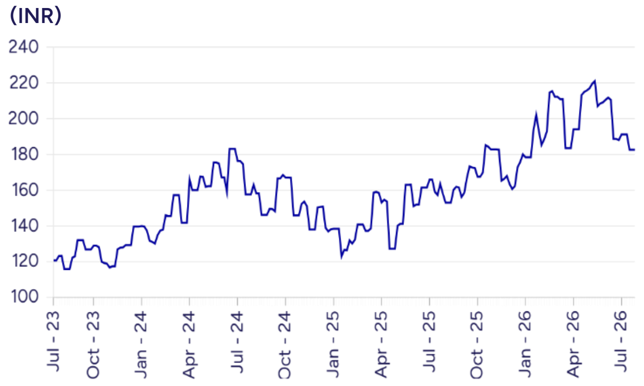
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales volume- India (mt)	21	23	25	26
NSR/t- India (INR)	63,284	62,015	69,665	70,652
EBITDA/t- India (INR)	13,307	14,413	17,112	16,349
Sales volume- TSE (mt)	9	8	8	9
NSR/t-TSE (US$)	1,104	1,148	1,262	1,272
EBITDA/t-TSE (US$)	(45)	2	22	30

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Jul-26	Accumulate	226	188
2	18-May-26	Accumulate	247	217
3	09-Apr-26	Accumulate	216	205
4	07-Feb-26	Accumulate	226	197
5	09-Jan-26	Accumulate	204	180
6	12-Dec-25	Accumulate	188	166
7	13-Nov-25	Accumulate	196	177
8	08-Oct-25	Accumulate	196	171
9	29-Sep-25	Accumulate	181	167
10	01-Aug-25	Accumulate	177	158

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ACC	BUY	2198	1384
2	Adani Port & SEZ	BUY	2113	1720
3	Ambuja Cement	BUY	504	435
4	Dalmia Bharat	BUY	2079	1811
5	Hindalco Industries	Accumulate	1050	972
6	Jindal Stainless	BUY	821	696
7	Jindal Steel	BUY	1298	1040
8	JK Cement	Accumulate	6205	5453
9	JK Lakshmi Cement	BUY	765	573
10	JSW Cement	Accumulate	141	136
11	JSW Infrastructure	Accumulate	361	345
12	JSW Steel	Accumulate	1351	1237
13	National Aluminium Co.	Accumulate	376	350
14	NMDC	Hold	86	84
15	Nuvoco Vistas Corporation	BUY	510	341
16	Shree Cement	Accumulate	28324	26710
17	Steel Authority of India	Accumulate	185	171
18	Tata Steel	Accumulate	226	188
19	Ultratech Cement	BUY	13832	11903

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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