Tata Steel (TATA IN)

Event Update

November 25, 2026

Betting on downstream but growth story still far away

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	Accumulate		Accumulate	
Target Price	190		215	
Sales (INR bn)	3,333	3,416	3,014	3,056
% Chng.	*10.6*	*11.8*		
EBITDA (INR bn)	506	526	480	496
% Chng.	*5.4*	*6.0*		
EPS (INR)	12.2	12.9	14.5	15.8
% Chng.	*(15.9)*	*(18.4)*		

Quick Pointers

- To get 52.6% APL stake for INR323bn at steep 24xFY27E EBITDA while selling own assets at same valuation (INR280bn).
- To get incremental capacity addition at no cost till 15.5mtpa while targeting cons. d/s EBITDA of INR100bn over 5 years.

Key Data	TISC.BO | TATA IN
BSE Code	500470
NSE Code	TATASTEEL
52-W High / Low	INR 224 / INR 160
Face Value	1
Sensex / Nifty	82,436 / 25,350
Market Cap	INR 2,038 bn / $ 21,934 mn
Shares Outstanding	12483.53 mn
3M Avg. Daily Value	INR 4,950.47 mn

Shareholding Pattern (%)

Promoters	32.94
FIIs	18.19
Mutual Funds	16.12
Domestic Institutions	11.40
Public & Others	21.35
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(2.6)	(10.8)	(22.0)	(2.8)
Relative	(13.6)	(16.1)	(28.6)	0.5

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR bn)	2,321	2,844	3,333	3,416
EBITDA (INR bn)	344	481	506	526
Margin (%)	*14.8*	*16.9*	*15.2*	*15.4*
PAT (INR bn)	115	164	152	161
EV (INR bn)	2,788	3,105	3,087	2,985
Total Debt (INR bn)	850	1,090	1,208	1,148
C&C Eq. (INR bn)	101	24	163	209
EPS (INR)	9.2	13.2	12.2	12.9
Gr. (%)	*208.0*	*43.1*	*(7.6)*	*5.8*
DPS (INR)	4.0	4.4	4.8	5.3
Yield (%)	*2.5*	*2.7*	*3.0*	*3.3*
RoE (%)	*11.9*	*15.2*	*12.8*	*12.5*
RoCE (%)	*12.2*	*15.8*	*14.2*	*14.0*
EV/Sales (x)	1.2	1.1	0.9	0.9
EV/EBITDA (x)	8.1	6.5	6.1	5.7
PE (x)	17.7	12.4	13.4	12.7
P/BV (x)	2.0	1.8	1.6	1.5

Tata Steel has announced a two-pronged transaction involving the monetisation of its downstream businesses and the acquisition of control in APL Apollo. Tata Steel will transfer its 1.7mtpa tubes business to APL Apollo for INR117bn and sell its entire stake in Tata Steel Colors (TSCL; 0.8mtpa) for INR163bn. The two businesses have a combined capacity of 2.5mtpa with FY27E volumes/revenue/EBITDA of 2.1mt/ INR140bn/ INR11.3bn respectively, implying a reported valuation of 24.8x FY27E EV/EBITDA. In parallel, Tata Steel will acquire a 26.6% promoter stake in APL Apollo at INR2,100/share in three tranches and launch a mandatory open offer for an additional 26% stake at INR2,301.4/share, entailing a potential total outlay of INR322.7bn at similar steep valuation. Assuming full acceptance of the open offer, Tata Steel's holding will increase to 52.6%, making APL Apollo its subsidiary while allowing it to remain listed. Overall transaction is targeted for completion by Mar'27, subject to regulatory approvals.

APL has developed very strong brand and B2C distribution network across India over last two decades however incremental value unlocking for Tata would happen over next 2-3 years once incremental 8mtpa capacity comes onstream and benefits of scale, improved utilization, product mix and operating synergies would set in. The transaction will be EPS-dilutive for Tata for two years due to addition of debt to support stake purchase & capitalisation, while synergy and volume benefits to emerge over time. Despite mgmt's continuous emphasis on downstream, we expect them to fast-track upstream expansion at Maharashtra as limited crude steel capacity and higher logistics costs will constrain usage of own substrate at downstream facilities. We have incorporated APL's estimates into cons financials from FY28 assuming successful open offer, resulting in 5-6% upgrade to our FY28/29 EBITDA estimates. The incremental cash outflow for APL stake and equitisation is expected to result in EPS cut for FY27/28E as Tata would have to service the debt for this transaction along with ongoing NINL capex. In an unlikely scenario of unsuccessful open offer, consolidation may not be needed but with change in APL management and fallen stock price, open offer price has become attractive. As steel prices remain steady till end of SGD regime, we expect Tata Steel to deliver an EBITDA CAGR of 15% over FY26-29E. Post sharp fall on November 23rd 2026, the stock is trading at 6.1x/5.6x FY28E/29E EV/EBITDA. We maintain 'Accumulate' with a revised TP of INR190 (INR215 earlier), valuing the company at same 7.5x EV/EBITDA for TSI and 5x for TSE.

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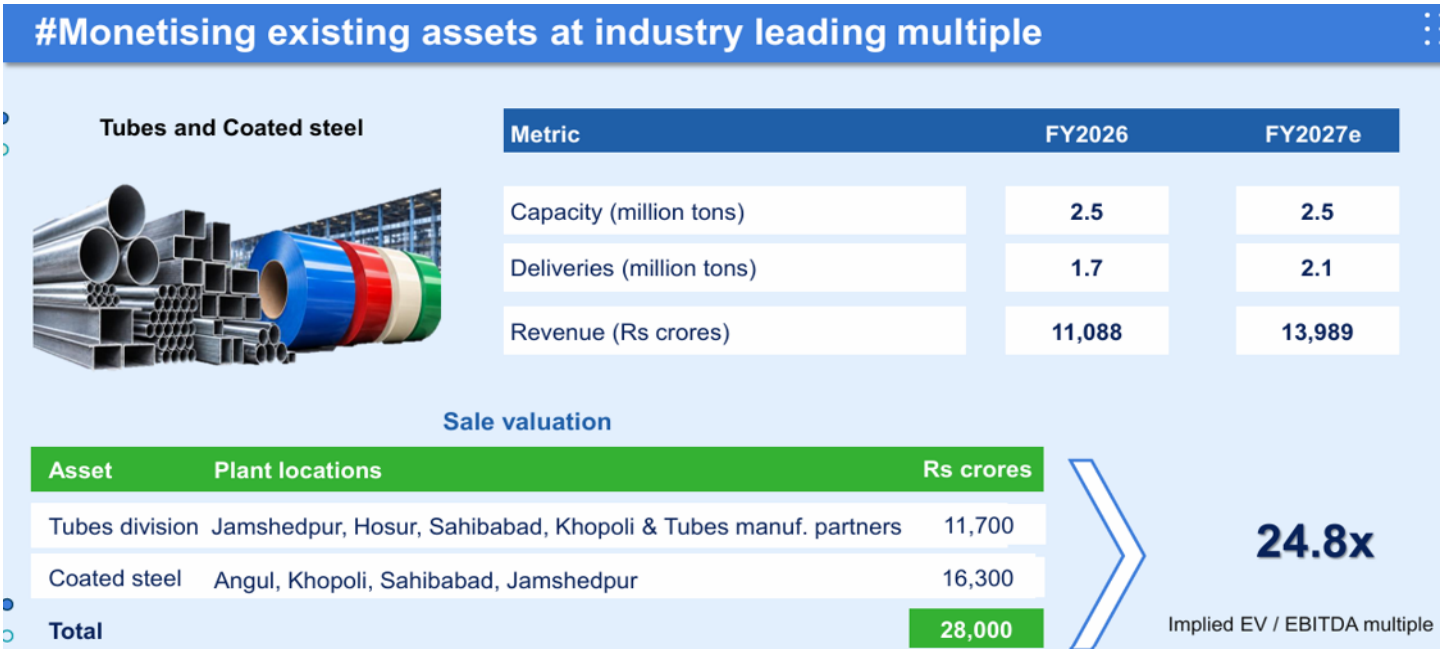
Strategic rationale: Access to distribution, brands and market share

The strategic rationale is primarily access to APL Apollo's established B2C franchise, distribution network and customer relationships, rather than simply acquiring additional manufacturing capacity. APL Apollo has built a strong pan-India presence with 800+ distributors, 50,000+ retailers, 14 brands and over 5,000 SKUs. Its portfolio spans structural tubes, GP tubes, round pipes, precision tubes, automotive tubes, large-diameter tubes and other value-added steel products. Tata Steel's acquired businesses complement this portfolio through their presence in structural tubes, precision tubes, automotive tubes, GI pipes, metal-coated and colour-coated products.

The acquisition immediately creates a 7.5mtpa downstream platform, comprising APL Apollo's existing 5mtpa capacity and Tata Steel's acquired 2.5mtpa assets. The combined tubes and pipes market share is expected to increase to 25-30%. Tata Steel's structural pipes business is relatively small vs APL Apollo, making the acquisition an effective route to gain scale and market access that would otherwise take considerable time to build organically. Management highlighted that creating a market in downstream products requires sustained investment in distribution, customer relationships and product development. APL Apollo's established franchise, innovative products for different applications and strong distributor relationships therefore provide a meaningful advantage. The combination also provides a wider product offering across different end-user segments, allowing the platform to address a larger portion of India's downstream steel market rather than remaining concentrated in structural pipes. Tata Steel believes that the broader portfolio and distribution reach will help it increase market share and capture more value across the downstream value chain.

Exhibit 1: **Attractive monetization of downstream assets but buying stake at same**



Source: Company

Manufacturing footprint and operational synergies

The enlarged platform will benefit from a wider manufacturing footprint and better proximity to customers across key consumption markets. APL Apollo's existing network spans 14 manufacturing locations, including Sikandrabad, Hosur, Malur, Bengaluru, Raipur, Dubai, Murbad, Hyderabad, Gorakhpur, Siliguri, Pune, Jamshedpur, Khopoli and Angul. The acquired Tata Steel facilities add 5 manufacturing capabilities across locations such as Jamshedpur, Hosur, Sahibabad and Khopoli for tubes, along with Angul, Khopoli, Sahibabad and Jamshedpur across the metal-coated and colour-coated businesses. This geographically diversified footprint should improve regional servicing, distribution reach and customer access.

APL Apollo currently operates at 70-75% capacity utilization, against management's optimal utilization target of 85-90%. Secured steel availability in the long run, higher utilization, de-bottlenecking, procurement efficiencies and optimization of plant locations are expected to improve supply-chain economics. Procurement, however, will continue to be based on the most economical source rather than exclusively from Tata Steel, factoring in freight costs and plant location. APL Apollo currently sources 2.1-2.2mt of HRC from JSW and 1.2mt from Tata Steel. The combination could improve sourcing flexibility and allow Tata Steel to better utilize its upstream capabilities, but it does not imply that APL Apollo will become a captive consumer of Tata Steel's steel.

Mgmt. also highlighted that downstream earnings are relatively more stable than upstream steel earnings, while downstream businesses can command market-based valuations rather than being valued predominantly on their asset base. This provides an additional strategic rationale for Tata Steel to increase its presence in value-added downstream products.

Exhibit 2: Plant wise location of- Tata Steel upstream and downstream + APL



Source: Company, PL

Capacity expansion: 7.5mtpa today to 15.5mtpa over the longer term

The combined platform targets total downstream capacity of 15.5mt by 2035 from the current 7.5mt. This comprises APL Apollo's existing 5mt capacity, 3mt of planned owned expansion, Tata Steel's acquired 2.5mt assets and 5mt of additional colour-coated capacity through SG Tech Engineering (SG Spectra), an entity associated with APL Apollo's promoter group. At full scale, the platform is expected to have 8mt of APL-owned capacity, 2.5mt from Tata Steel's acquired assets and 5mt through contract manufacturing, with the product mix comprising 9mt of tubes and 6.5mt of colour-coated products. The SG Spectra arrangement is an exclusive, long-term contract-manufacturing agreement, with the first 1mt expected within 24 months and the balance to be added in phases through a modular, geographically dispersed network at market-linked, arm's-length rates. This provides an asset-light route to expand colour-coated capacity without proportionate fixed-asset investment. APL Apollo already outsources 50% of its tubes and wires production, making this an established part of its operating model. In the nearer term, management targets 12-13mt capacity over the next five years. At 15.5mt, the platform could become the world's second-largest downstream steel business, behind China's Tianjin Youfa (20mt).

Exhibit 3: Current and expected capacity along with existing product portfolios of both companies



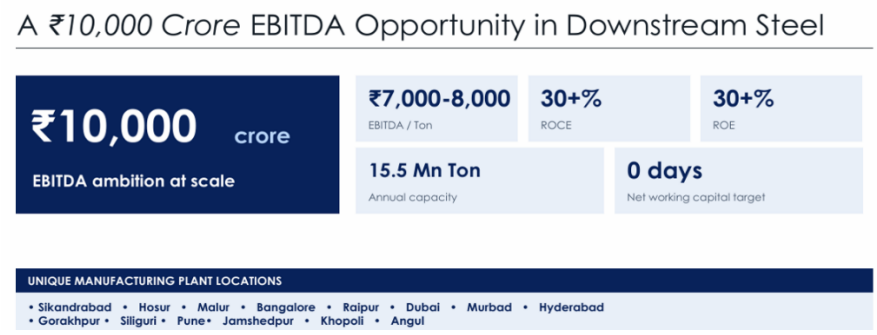
Source: Company

INR100bn EBITDA ambition: Building a scaled downstream platform

Management has outlined an ambition to build a downstream platform generating INR1,000bn in revenue and INR100bn in EBITDA over the next 3-5 years. The targeted EBITDA/t is INR7-8k, vs currently INR5.5-6k, alongside ROCE and ROE of >30%. The earnings ambition is expected to be supported by three levers: expansion of APL Apollo's existing capacity and utilisation, integration and improvement of Tata Steel's acquired downstream businesses, and additional contract-manufacturing capacity. Management indicated that APL Apollo plans to add 1.5mt of capacity over the next year, while the acquired 2.5mt Tata Steel businesses provide an immediate addition to the platform. The 5mt SG Spectra arrangement provides another route to expand colour-coated capacity without proportionate fixed-asset investment.

The acquired Tata Steel businesses are expected to generate FY27E revenue of INR139.9bn on sales volumes of 2.1mt, implying 84% utilization. The operating assumption is EBITDA of INR12bn and PAT of INR7.5bn. The tubes business is expected to contribute EBITDA of INR4bn+ and PAT of INR2.25bn, while the colour-coated business is expected to contribute EBITDA of INR7bn+ and PAT of INR5bn. The businesses are debt-free and have negative working capital of 11 days, with returns broadly comparable to APL Apollo's existing business. The acquired businesses' EBITDA/t is INR5.7k, while management's longer-term ambition is to improve the combined platform to INR7-8k/t. The key to achieving the INR100bn EBITDA ambition will be the pace of capacity additions, utilization ramp-up, product mix and improvement in unit economics.

Exhibit 4: Ambitions for FY30 and beyond



Source: Company, PL

Funding structure: Initial leverage followed by equity capitalization

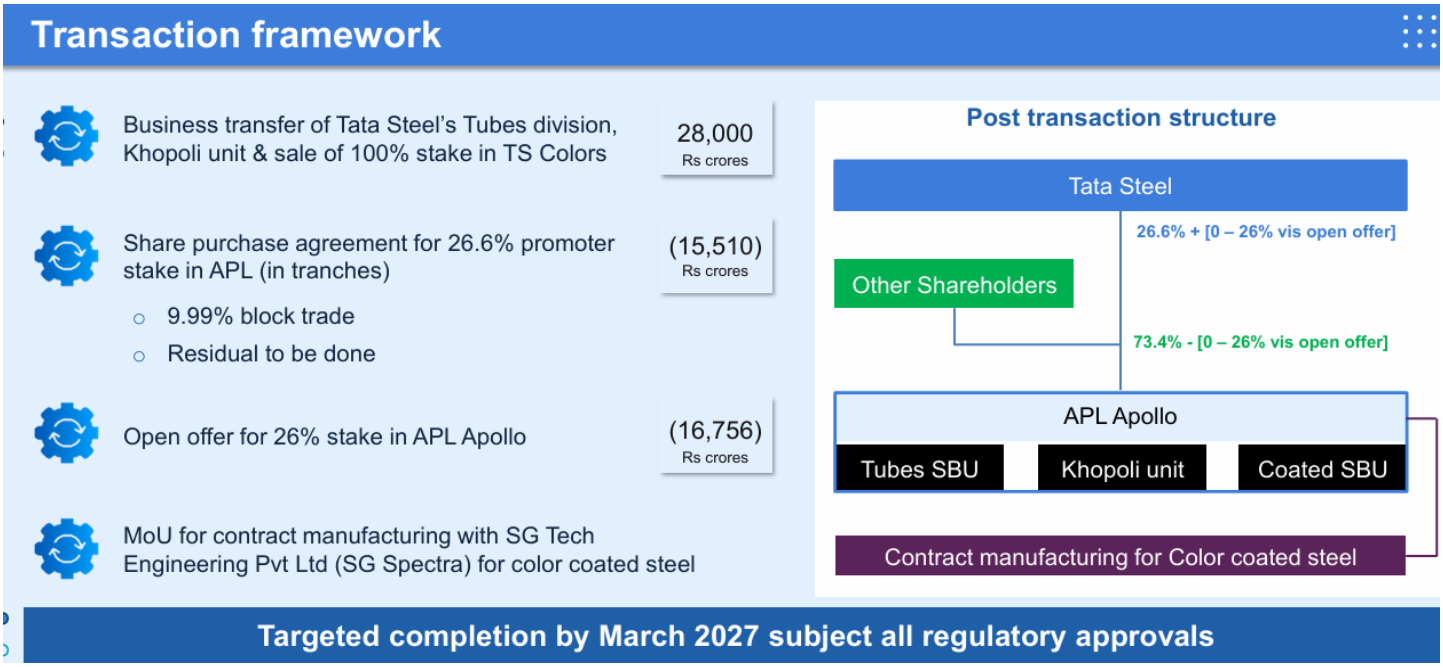
APL Apollo will initially fund the INR280bn acquisition through INR100bn of debt/acquisition financing, with the remaining INR180bn expected to be raised through equity or other long-term capitalization instruments in tranches. Management has indicated that the initial bridge financing will be replaced through take-out financing and subsequent capitalization, with the objective of bringing APL Apollo's net debt/EBITDA to 2.5x within 12 months of closing. Potential routes for raising the INR180bn include a rights issue, preferential allotment, QIP or a combination of instruments, although the final structure has not been decided. Management has indicated that the capitalization will be undertaken on terms that are fair to minority shareholders.

The longer-term objective is to make APL Apollo debt-free over time, supported by equity capitalization and operating cash flows. Management has indicated that the process of replacing the initial debt will begin within 12 months, with a broader ambition to substantially deleverage the company over the following years.

The structure also has an unusual LBO-like element. APL Apollo will initially raise INR100bn of acquisition financing to fund the INR280bn purchase of Tata Steel's downstream businesses, with the remaining INR180bn expected to be raised through equity or long-term capitalization. Tata Steel, meanwhile, receives the asset-sale proceeds and separately invests up to INR322.7bn to acquire control of APL Apollo. This creates a circular flow of funds, wherein the company being acquired initially leverages its balance sheet to purchase businesses from the acquirer, while the acquirer uses the proceeds from the asset sale to partly offset its investment in the target. While this has LBO-like characteristics, it is not a conventional LBO or vendor-financing arrangement, particularly as the initial debt is intended to be replaced through long-term capitalization.

The initial debt burden, quantum and timing of equity issuance, potential dilution and pace of deleveraging will remain key monitorables.

Exhibit 5: **Transaction structure for Tata Steel's ~53% stake in APL**



Source: Company

Management continuity and transaction execution

Tata Steel has indicated that it intends to work with APL Apollo's existing management team and preserve its operating culture. APL Apollo's promoter has indicated that he might retain 4-5% in the company and continue to support the business in achieving its growth targets but will not run the show. Retaining the existing management and operating model will be important to preserve these strengths following the change in control.

The promoter stake acquisition is structured in tranches. The initial 9.91% stake was acquired through a block deal on Nov 23, 2026, with the subsequent promoter stake purchase subject to regulatory approvals such as CCI. Tata Steel will need to complete the relevant CCI/anti-trust approvals, shareholder approvals for the transfer of the downstream businesses and the open-offer process. The overall transaction is targeted for completion by Mar'27, subject to approvals. The final promoter stake tranche is scheduled separately, and the potential holding of 52.38% assumes full acceptance of the open offer.

Opportunity cost: Could capital have been better deployed towards core steelmaking?

While the acquisition provides a strategic fit, the acquisition economics and capital-allocation choice can be disputed. The acquired downstream businesses are expected to generate EBITDA of INR5,700/t, while APL Apollo's existing business has historically generated EBITDA of INR5500-6,000/t. This compares with INR10-12,000/t for the broader steel business of peers, including companies with relatively lower levels of backward integration and raw-material security. Tata Steel's own divested downstream businesses were generating INR6,600/t.

The strategic opportunity lies in improving these unit economics through better sourcing, higher utilisation, product mix and access to APL Apollo's distribution network. However, the extent and timing of these benefits remain to be demonstrated. The acquisition also involves a substantial capital commitment at a time when Tata Steel has significant upstream expansion requirements. The more fundamental question is whether the capital could have generated higher returns if deployed towards expanding crude steel capacity, strengthening backward integration and securing raw-material supplies.

The acquisition does not, by itself, eliminate the need for competitive upstream steel supply. With Tata Steel's next major upstream capacity additions expected over the coming years, the ability to support the expanded downstream platform with sufficient steel at competitive costs will remain important. Management has reiterated that its 50mtpa long-term ambition continues, with downstream integration intended to help offer greater value to customers over the long term. However, the pace of upstream expansion will be critical to supporting the downstream growth strategy.

Exhibit 6: Tata Steel existing and potential crude steel capacities

Plant location	FY26	FY30/31E	LT target
Jamshedpur	11.0	12.0	12.0
Kalinganagar	8.0	8.0	16.0
Meramandali (BSPL)	5.6	8.1	8.1
Gamharia (TSLP)	1.0	1.0	1.0
NINL	1.0	5.8	5.8
Ludhiana (EAF)	0.8	0.8	0.8
Maharashtra	-	6.0	6.0
Total	**27.4**	**41.7**	**49.7**

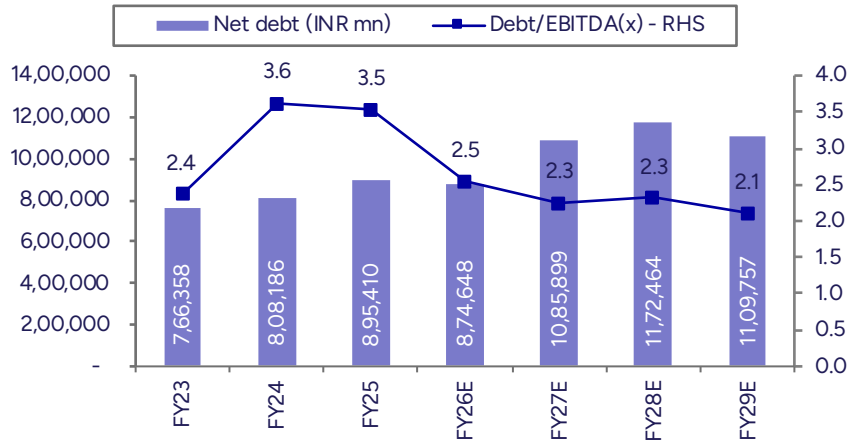
Source: Company, PL

Competitive landscape

The transaction could reshape the competitive landscape of the domestic tubes and pipes market, with the industry increasingly led by two large platforms-Tata-APL and JSTL. APL Apollo's strong existing market position, combined with Tata Steel's manufacturing and sourcing capabilities, could create a formidable competitor with greater scale, a wider product portfolio and stronger distribution reach. This could accelerate consolidation and intensify competitive pressure on smaller regional players in the long term.

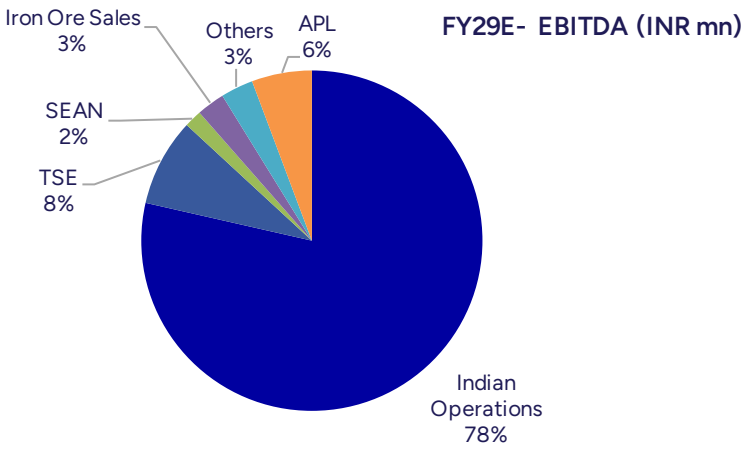
We remain cautious on the capital-allocation implications given the lower EBITDA/t of downstream operations relative to core steelmaking and the need to fund significant upstream expansion. The key monitorables will be the execution of the INR180bn capitalization, the resulting leverage and dilution, retention of APL Apollo's management capabilities, capacity utilization, improvement in EBITDA/t, commissioning of contract-manufacturing capacity and the pace of Tata Steel's upstream expansion. Ultimately, the ability to deliver the targeted INR100bn EBITDA and returns above 30%, while managing the capital employed and financing costs, will determine whether the enlarged downstream platform justifies the acquisition cost.

Exhibit 7: FY27 net debt to jump to fund equity infusion and would reduce eventually



Source: Company, PL

Exhibit 8: FY29E EBITDA breakup from various businesses



Source: Company, PL

Exhibit 9: **TP Calculation- Sep'28 basis**

Figures in INR bn	EV/EBITDA	EBITDA (INR bn)	Value (INR bn)
Indian operations (incl. APL downstream)	7.5	432	3,236
Other domestic operations	6.0	15	92
Tata steel Europe	5.0	34	169
South East Asean operations	5.0	9	43
Total EV (ex-Minorities)			3,434
Debt			1,252
Cash			196
Net debt			1,056
Shareholder's value			2,378
Value per share (INR)			**190**

Source: PL

Financials

Income Statement (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**2,321**	**2,844**	**3,333**	**3,416**
YoY gr. (%)	*6.2*	*22.5*	*17.2*	*2.5*
Cost of Goods Sold	936	1,094	1,293	1,305
Gross Profit	1,385	1,750	2,041	2,111
Margin (%)	*59.7*	*61.5*	*61.2*	*61.8*
Employee Cost	260	311	372	380
Other Expenses	782	959	1,163	1,205
EBITDA	**344**	**481**	**506**	**526**
YoY gr. (%)	*35.8*	*39.9*	*5.3*	*3.9*
Margin (%)	*14.8*	*16.9*	*15.2*	*15.4*
Depreciation and Amortization	120	158	174	182
EBIT	**224**	**323**	**332**	**344**
Margin (%)	*9.6*	*11.4*	*10.0*	*10.1*
Net Interest	72	89	103	106
Other Income	14	11	11	12
Profit Before Tax	**156**	**245**	**240**	**250**
Margin (%)	*6.7*	*8.6*	*7.2*	*7.3*
Total Tax	51	84	90	90
Effective Tax Rate (%)	*32.6*	*34.4*	*37.3*	*36.2*
Profit After Tax	**105**	**160**	**151**	**159**
Minority Interest	1	-	3	4
Share Profit from Associate	4	4	4	5
Adjusted PAT	**115**	**164**	**152**	**161**
YoY gr. (%)	*208.0*	*43.1*	*(7.6)*	*5.8*
Margin (%)	*4.9*	*5.8*	*4.6*	*4.7*
Extra Ord. Income / (Exp)	(7)	-	-	-
Reported PAT	**108**	**164**	**152**	**161**
YoY gr. (%)	*215.6*	*52.3*	*(7.6)*	*5.8*
Margin (%)	*4.6*	*5.8*	*4.6*	*4.7*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	108	164	152	161
Equity Shares O/s (bn)	**12**	**12**	**12**	**12**
EPS (INR)	**9.2**	**13.2**	**12.2**	**12.9**

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**3,135**	**3,651**	**3,835**	**4,013**
Tangibles	3,135	3,651	3,835	4,013
Intangibles	-	-	-	-
Acc: Dep / Amortization	**1,411**	**1,569**	**1,743**	**1,925**
Tangibles	1,411	1,569	1,743	1,925
Intangibles	-	-	-	-
Net Fixed Assets	**1,724**	**2,082**	**2,092**	**2,088**
Tangibles	1,724	2,082	2,092	2,088
Intangibles	-	-	-	-
Capital Work In Progress	301	301	301	301
Goodwill	75	75	75	75
Non-Current Investments	77	81	86	91
Net Deferred Tax Assets	(106)	(109)	(112)	(115)
Other Non-Current Assets	62	62	62	62
Current Assets				
Investments	10	10	10	10
Inventories	472	600	749	767
Trade Receivables	49	78	110	112
Cash & Bank Balance	101	24	163	209
Other Current Assets	57	57	57	57
Total Assets	**3,013**	**3,454**	**3,789**	**3,856**
Equity				
Equity Share Capital	12	12	12	12
Other Equity	1,009	1,124	1,221	1,321
Total Networth	**1,022**	**1,136**	**1,233**	**1,333**
Non-Current Liabilities				
Long Term Borrowings	850	1,090	1,208	1,148
Provisions	60	60	60	60
Other Non Current Liabilities	142	142	142	142
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	404	442	507	519
Other Current Liabilities	353	399	447	455
Total Equity & Liabilities	**3,013**	**3,454**	**3,789**	**3,856**

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	160	245	240	250
Add. Depreciation	120	158	174	182
Add. Interest	72	89	103	106
Less Financial Other Income	14	11	11	12
Add. Other	(9)	(9)	(9)	(10)
Op. Profit before WC Changes	342	483	508	528
Net Changes-WC	54	(72)	(67)	(1)
Direct Tax	(46)	(81)	(87)	(87)
Net Cash from Op. Activities	**351**	**329**	**355**	**440**
Capital Expenditures	(159)	(516)	(184)	(178)
Interest / Dividend Income	11	9	9	10
Others	-	-	-	-
Net Cash from Invt. Activities	**(149)**	**(507)**	**(175)**	**(168)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	(91)	240	118	(60)
Dividend Paid	(45)	(50)	(55)	(60)
Interest Paid	(81)	(89)	(103)	(106)
Others	3	-	-	-
Net Cash from Fin. Activities	**(214)**	**101**	**(40)**	**(226)**
Net Change in Cash	**(12)**	**(77)**	**140**	**45**
Free Cash Flow	205	(187)	170	262

Source: Company, PL

Quarterly Financials (INR bn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	**570**	**633**	**608**	**654**
YoY gr. (%)	*6.3*	*12.5*	*14.3*	*11.5*
Raw Material Expenses	224	262	230	260
Gross Profit	346	371	378	394
Margin (%)	*60.6*	*58.6*	*62.2*	*60.3*
EBITDA	**82**	**98**	**93**	**105**
YoY gr. (%)	*82.6*	*49.8*	*24.7*	*18.4*
Margin (%)	*14.4*	*15.5*	*15.2*	*16.1*
Depreciation / Depletion	30	33	36	38
EBIT	**52**	**66**	**56**	**68**
Margin (%)	*9.0*	*10.4*	*9.3*	*10.3*
Net Interest	17	18	18	20
Other Income	5	2	2	2
Profit before Tax	**38**	**47**	**37**	**53**
Margin (%)	*6.6*	*7.4*	*6.2*	*8.2*
Total Tax	11	18	15	18
Effective Tax Rate (%)	*30.2*	*39.5*	*38.8*	*32.9*
Profit After Tax	**26**	**28**	**23**	**36**
Minority Interest	-	-	1	-
Share Profit from Associate	1	1	1	1
Adjusted PAT	**28**	**31**	**25**	**34**
YoY gr. (%)	*2,045.4*	*107.9*	*17.0*	*0.4*
Margin (%)	*4.9*	*4.9*	*4.2*	*5.2*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**27**	**29**	**23**	**37**
YoY gr. (%)	*723.1*	*124.9*	*11.6*	*18.2*
Margin (%)	*4.7*	*4.6*	*3.8*	*5.6*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**27**	**29**	**23**	**37**
Avg. Shares O/s (bn)	12	12	12	12
EPS (INR)	**2.2**	**2.5**	**2.0**	**2.8**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	9.2	13.2	12.2	12.9
CEPS	18.8	25.8	26.1	27.5
BVPS	81.9	91.1	98.9	106.9
FCF	16.4	(15.0)	13.7	21.0
DPS	4.0	4.4	4.8	5.3
Return Ratio (%)				
RoCE	12.2	15.8	14.2	14.0
ROIC	8.8	10.5	9.6	9.8
RoE	11.9	15.2	12.8	12.5
Balance Sheet				
Net Debt : Equity (x)	0.7	0.9	0.8	0.7
Net Working Capital (Days)	18	30	38	39
Valuation (x)				
PER	17.7	12.4	13.4	12.7
P/B	2.0	1.8	1.6	1.5
P/CEPS	8.7	6.3	6.2	5.9
EV/EBITDA	8.1	6.5	6.1	5.7
EV/Sales	1.2	1.1	0.9	0.9
Dividend Yield (%)	2.5	2.7	3.0	3.3
FCFF Yield (%)	10.1	(9.2)	8.4	12.9
PEG Ratio	0.1	0.3	(1.8)	2.2

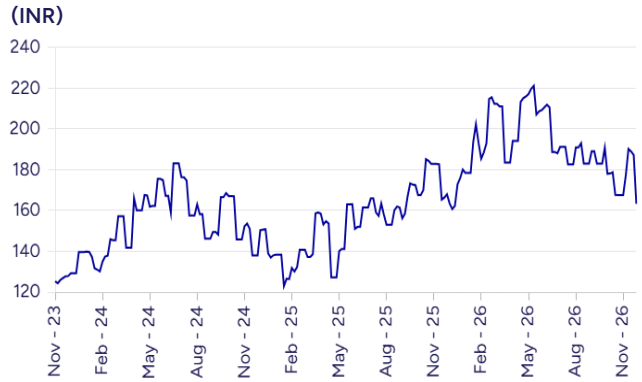
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales volume- India (mt)	23	25	26	26
NSR/t- India (INR)	62,015	70,958	71,030	69,381
EBITDA/t- India (INR)	14,413	17,946	16,288	15,660
Sales volume- TSE (mt)	8	8	8	9
NSR/t-TSE (US$)	1,148	1,240	1,250	1,170
EBITDA/t-TSE (US$)	2	16	30	50

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	09-Nov-26	Accumulate	215	190
2	08-Oct-26	Accumulate	209	176
3	01-Aug-26	Accumulate	212	190
4	08-Jul-26	Accumulate	226	188
5	18-May-26	Accumulate	247	217
6	09-Apr-26	Accumulate	216	205
7	07-Feb-26	Accumulate	226	197
8	09-Jan-26	Accumulate	204	180
9	12-Dec-25	Accumulate	188	166
10	13-Nov-25	Accumulate	196	177

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Adani Port & SEZ	BUY	2248	1949
2	Aegis Vopak Terminals	BUY	323	240
3	Ambuja Cement	BUY	474	355
4	Dalmia Bharat	BUY	1970	1625
5	Hindalco Industries	BUY	1141	958
6	Jindal Stainless	BUY	829	687
7	Jindal Steel	BUY	1245	1016
8	JK Cement	BUY	6064	4889
9	JK Lakshmi Cement	BUY	665	470
10	JSW Cement	BUY	133	115
11	JSW Infrastructure	BUY	380	317
12	JSW Steel	BUY	1377	1186
13	National Aluminium Co.	BUY	385	318
14	NMDC	HOLD	83	73
15	Nuvoco Vistas Corporation	BUY	560	331
16	Shree Cement	BUY	28379	22375
17	Steel Authority of India	Accumulate	180	162
18	Tata Steel	Accumulate	215	190
19	Ultratech Cement	BUY	14623	10650
20	Usha Martin	BUY	596	484

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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