PL Capital
PRABHUDAS LILLADHER

Tata Steel (TATA IN)

Q2FY27 Result Update

November 09, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	Accumulate		Accumulate	
Target Price	215		209	
Sales (INR bn)	3,014	3,056	3,003	3,055
% Chng.	*0.4*	-		
EBITDA (INR bn)	480	496	465	483
% Chng.	*3.2*	*2.7*		
EPS (INR)	14.5	15.8	13.6	15.1
% Chng.	*6.6*	*4.6*		

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	80,999 / 24,986
Market Cap	INR 2,374 bn / $ 25,283 mn
Shares Outstanding	12483.53 mn
3M Avg. Daily Value	INR 4,847.45 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	9.4	1.4	(11.3)	4.9
Relative	(2.1)	(1.7)	(15.3)	7.7

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR bn)	2,321	2,844	3,014	3,056
EBITDA (INR bn)	344	481	480	496
Margin (%)	*14.8*	*16.9*	*15.9*	*16.2*
PAT (INR bn)	115	185	181	198
EV (INR bn)	3,128	3,112	3,076	2,952
Total Debt (INR bn)	850	810	770	710
C&C Eq. (INR bn)	101	77	72	132
EPS (INR)	9.2	14.8	14.5	15.8
Gr. (%)	*208.0*	*60.8*	*(2.0)*	*9.2*
DPS (INR)	4.0	4.4	4.8	5.3
Yield (%)	*2.1*	*2.3*	*2.5*	*2.8*
RoE (%)	*11.9*	*17.0*	*14.8*	*14.6*
RoCE (%)	*12.2*	*17.2*	*16.0*	*15.7*
EV/Sales (x)	1.3	1.1	1.0	1.0
EV/EBITDA (x)	9.1	6.5	6.4	5.9
PE (x)	20.6	12.8	13.1	12.0
P/BV (x)	2.3	2.1	1.8	1.7

Strong India, recovering TSN; UK struggles

Quick Pointers

- Q3 NSR guidance: India +INR3,500/t QoQ; TSUK +GBP28-30/t; TSN ~EUR11/t QoQ lower due to adverse product mix.
- Q3 coking coal: to increase by ~US$15/t QoQ in India and TSN, partly offset by a US$5/t decline in TSN iron ore costs.

Tata Steel (TATA) reported a strong Q2FY27, with consolidated EBITDA growing 18% YoY to INR105.3bn, led by robust India (TSI) performance and a sharp recovery in the Netherlands (TSN) following the restart of its Direct Sheet Plant (DSP) in August. TSI volumes grew 8% YoY to 5.98mt on drawdown of inventory in seasonally weak monsoon quarter, while benefit of Auto contracts negated longs weakness driving EBITDA to INR100bn (up 23% YoY). Europe remained mixed: TSN saw EBITDA improve to EUR72mn from EUR4mn in Q1FY27 as the DSP restarted, while TSUK continued to report losses of GBP147/t on low volumes absorbing entire costs amid weak market impacted by imports. Going forward, India is expected to lead the H2 recovery, supported by higher volumes and improved steel realizations. In Europe, TSUK is targeting near breakeven by Q4FY27 as excess inventory gradually normalizes, while sustaining the DSP ramp-up remains key to TSN's recovery.

Mgmt. reiterated its preference for value-led growth, with near-term capex focused on downstream capacities and a richer product mix, while major upstream additions planned remain on track. A 4.8mtpa NINL expansion with total capex of ~INR339bn has entered the execution phase and remains on track for FY30E commissioning. In Europe, the focus remains on resolving TSN's regulatory uncertainties and progressing its long-term transition to a DRI-EAF route, with the JLOI extended to Mar'27. Key monitorables include: (a) sustainability of the domestic steel spreads, (b) timely execution of capex at NINL/ Meramandali debottlenecking, (c) rising debt levels, (d) resolution of TSN's regulatory and decarbonization-related uncertainties, and (e) progress on the Port Talbot EAF project for early breakeven. We increase our EBITDA estimates by 3% each for FY28/29E on lowering CC prices and expect EBITDA CAGR of 13% over FY26-29E on the back of superior TSI performance and Europe recovery. At CMP, the stock is trading at 6.3x/5.8x EV of FY28/29E EBITDA. We maintain 'Accumulate' rating with revised TP of INR 215 (INR 209 earlier) valuing at 7.5x EV/TSI EBITDA and 5x TSE EBITDA.

Other important points:

- FY27 cost efficiency program target: INR71.4bn of which INR18bn achieved in H1.
- Capex: Q2 INR32.80bn; H1FY27 INR68bn. Net debt increased by ~INR70.3bn QoQ to INR914.23bn. Net debt to EBITDA at 2.4x.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
Net Sales (INR bn)	647.6	654.4	*1.0*	586.9	*11.5*
EBITDA (INR bn)	97.3	105.3	*8.3*	89.0	*18.4*
Margin (%)	*15.0*	*16.1*	*107.3*	*15.2*	*93.8*
PAT (INR bn)	22.5	34.3	*52.6*	34.2	*0.4*

Source: Company, PL

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TSI delivers strong volume growth and EBITDA improvement: TSI sales volume were up ~8% YoY to 5.98mt (~16% QoQ) on drawdown of inventory in Q2 vs earlier buildup. Average realization was flat QoQ at INR71,129/t (+14% YoY; PLe INR70,653/t) tad better on benefit of Auto contracts in Q1 and higher retail sales (having higher realization) under *Tata Asiana* which negated weak longs pricing. TSI revenue increased 23% YoY to INR425bn (15% QoQ; PLe INR421.8bn). Export volumes grew 88% YoY to 0.6mt (~10% of volumes). In domestic, autos (17% YoY) and retail segment (33% YoY) grew strong. Standalone EBITDA grew 23% YoY to INR100.11bn (PLe INR95.67bn). RM cost/t at INR28,986/t was higher due to rise in coking coal consumption cost, other expenses/t increased 11% YoY to INR22,089 on higher power & fuel, staff costs decreased 8% YoY to INR3,312/t. Resultant, EBITDA/t increased 14% YoY to INR16,742/t (PLe INR16,026).

TSUK losses widen on lower volumes; DSP restarts at TSN: TSUK EBITDA loss increased QoQ to GBP147/t (-56 in Q1) as volumes were soft at 0.38mt. strong prices aided higher NSR (up 8% QoQ) to GBP1,080/t. Other expenses increased 5% QoQ due to lower volumes & higher freight cost. TSN sales volumes declined 7% QoQ to 1.3mt on loss of production volume from Direct sheet plant while NSR was up 3% QoQ to GBP918/t. DSP started in August and volumes should improve in H2. TSN EBITDA/t increased to GBP 47/t from GBP2/t QoQ on lower RM due to lower purchases post the restart of DSP and employee costs which were higher in Q1 due to wage revision.

Q2FY27 Conference Call Highlights:

India: Strong sales despite seasonal weakness

- **Strong operating performance**: Mgmt. expects H2FY27 to be stronger vs H1, supported by higher volumes, improved steel prices and the seasonal pick-up in construction activity.

- **Cost inflation partly offset by operating efficiencies**: RM costs increased by INR24bn during Q2. Benchmark coking coal prices increased 12% between Jul'26 & Sep'26, however the impact on imported coal consumption cost for Tata was limited to 3%/INR 2.5bn due to benefits of coal blending and a leaner coal mix. Higher inbound logistics, freight, vessel charter costs, and increased purchases of coke and scrap accounted for the balance of the increase. Inventory drawdown of ~68kt, vs Q1 build-up, resulted in a further cost impact of ~INR20bn. Overall material costs increased by INR44.75bn/INR4,128/t QoQ.

- **Conversion cost improvement**: Higher volumes and cost takeouts helped reduce conversion costs by ~INR3,300/t QoQ, partly offsetting the increase in material costs.

- **Automotive and special products:** Mgmt. indicated that auto volumes remain strong, with Tata maintaining ~50% market share and further product mix is also improving from customer approvals for KPO.

- **Retail and construction**: Retail sales were ~270kt in Oct'26. Mgmt. indicated that the reported moderation in construction volumes was partly due to a shift towards retail sales, where NSR is better.

- **Iron ore sales**: Iron ore sales of 8-10mt in FY27E, vs 2mt in FY26, 14-15mt in FY28E.

Netherlands (TSN): Direct Sheet Plant restart supports recovery; regulatory clarity remains key

- **Direct Sheet Plant (DSP) restarted:** The key development during the qtr was the restart of the DSP in early Aug, following the regulatory shutdown in Q1.~1.4mt of annual processing capacity, or ~18-20% of TSN's total volumes, and is currently operating at rated capacity. Technical measures implemented have materially reduced chromium-6 emissions, which remain below prescribed limits.

- **Improved profitability:** The DSP restart has supported volumes, product mix, integrated plant efficiency and conversion costs. Mgmt. expects H2 to be better than H1, supported by continued DSP ops and improved stability across the rest of the plant.

- **Volume outlook**: FY27E production of 6.5mt and deliveries of 6mt, H2 should return to a more normal qtrly run-rate.

- **Pricing and cost outlook:** Q3 NSR are expected to be ~EUR30/t higher on a product-to-product basis; however, the overall NSR is expected to decline by ~€11/t QoQ due to an adverse product mix. Annual contract negotiations are underway, with benefits from Q1FY28E. Coking coal consumption cost is expected to increase by ~US$15/t QoQ in Q3, partly offset by a ~US$5/t reduction in iron ore consumption cost.

- **Regulatory and decarbonization uncertainties:** Discussions with regulators and North Holland authorities continue on the safe and controlled closure of coke and gas plants 2 and 1, alongside resolution of slag management issues that have led to additional stockpiling.

- **JLOI extended to Mar'27:** TSN, the Dutch government and North Holland have extended the JLOI by five months to Mar'27 to address regulatory approvals, slag management, energy affordability, capex and permitting. DRI-EAF remains the reference case, while multiple alternatives are being evaluated. Mgmt. expects greater clarity by Mar'27, with the final investment decision contingent on resolving these issues.

UK: Weak volumes continue to weigh on profitability; management expects near breakeven by Q4

- **Challenging market conditions:** UK deliveries declined to 0.38 during Q2, despite a GBP72/t QoQ improvement in NSR. The effective market available to domestic producers has reduced due to elevated imports and inventory accumulation.

- **Import-led inventory overhang:** Imports of ~738kt/month between since the beginning of FY27 which is 22% above 2025 levels. Orders booked before 14 Mar'26 were exempt from quota utilization, resulting in a surge in imports during Jul-Sep and excess inventory across the supply chain. The liquidation of these inventories is taking longer than initially expected.

- **Additional export restrictions:** UK exports to the EU are now subject to quota restrictions, further limiting market access.

- **Volume recovery and delayed breakeven:** UK currently is selling 0.4mt/qtr vs desired run-rate of 0.6mt/qtr. Mgmt. expects excess inventory to be progressively cleared by Q4FY27. Close to breakeven expected by Q4FY27 as volumes improve and recently negotiated contracts flow through. Q3 NSR expected to increase by GBP28-30/t QoQ, with further benefits from annual contract negotiations expected from Q1FY28.

- **3.2mtpa EAF project:** The UK EAF project continues to progress as planned, with major enabling works completed and key contracts awarded.

Pricing and cost outlook across geographies

- **Q3FY27E NSR:** India NSR to increase by INR3,500-3,600/t QoQ, UK by 28-30/t, while TSN is expected to see a ~EUR11/t decline overall.

- Coking coal consumption costs are expected to increase by US$15/t QoQ in both TSI and TSN. TSN should see a ~US$5/t benefit from lower iron ore consumption costs.

- **External cost pressures:** Since the West Asia conflict, oil and freight rates have risen by 40%, while spot CC prices moved from >US$235/t to US$280/t before moderating slightly. European gas prices are >2x their Jan'26 levels.

- **Other expenses in Europe:** Higher other expenses/t in TSUK and TSN due to lower volumes and higher fixed-cost, elevated freight costs and higher consumables following the restart of LAN1 in the UK and the DSP in TSN.

Growth projects and capital allocation

- **NINL expansion:** The 4.8mtpa expansion has entered the execution phase and remains on track for FY30E commissioning. Site development and grading are underway, with key equipment ordering, including the BF package, progressing. The project entails four long-product rolling mills (wire rod and rebar), with one rebar mill slated for early commissioning ahead of upstream steelmaking facilities to enable an earlier production ramp-up.
- **NINL amalgamation:** The amalgamation of NINL with Tata Steel remains on track for completion in FY27, subject to final NCLT approval, with a hearing scheduled for later in Nov.
- **HRPGL project:** The 0.7mtpa HRPGL project has entered the construction phase, with structural erection and piping work underway. The facility will cater to energy, auto and construction segments and enable import substitution through specialized galvanizing products.
- **Tinplate expansion:** Doubling of tinplate capacity is progressing well, with civil and structural work underway.
- **Capital allocation:** 70% of the capex during the year is directed towards India.

Exhibit 1: India capex plan



Source: Company

Exhibit 2: Quarterly Estimates

(INR bn)	Q1FY27A	YoY gr.	Q2FY27A	YoY gr.	Q3FY27E	YoY gr.	Q4FY27E	YoY gr.
Revenue from Operations	607.9	*14.3%*	654.4	*11.5%*	727.9	*27.7%*	853.8	*34.9%*
EBITDA	92.6	*24.7%*	105.3	*18.4%*	132.1	*61.2%*	150.6	*53.2%*
Margin (%)	15.2%		16.1%		18.2%		17.6%	
Adjusted PAT	25.3	*17.0%*	34.3	*0.4%*	57.3	*105.8%*	67.8	*116.4%*

Source: Company, PL

Exhibit 3: Q3FY27 Result Overview (INR bn)

Y/e March (INR bn)	2QFY27	2QFY26	YoY gr. (%)	2QFY27E	% Var.	1QFY27	QoQ gr. (%)	H1FY27	H1FY26	YoY gr. (%)
Net Sales	**654.4**	**586.9**	***11.5***	**646.9**	***1.2***	**607.9**	***7.6***	**1,262.3**	**1,118.7**	***12.8***
Raw Material	259.9	244.3	*6.4*	263.3	*(1.3)*	229.5	*13.2*	489.5	450.0	*8.8*
% of Net Sales	*39.7*	*41.6*		*40.7*		*37.8*		*38.8*	*40.2*	
Staff Costs	66.7	63.5	*5.0*	72.3	*(7.8)*	72.3	*(7.8)*	138.9	129.5	*7.3*
% of Net Sales	*10.2*	*10.8*		*11.2*		*11.9*		*11.0*	*11.6*	
Other Expenses	222.4	190.2	*17.0*	214.1	*3.9*	213.5	*4.2*	435.9	375.9	*16.0*
% of Net Sales	*34.0*	*32.4*		*33.1*		*35.1*		*34.5*	*33.6*	
Total Expenditure	549.0	497.9	*10.3*	549.8	*(0.1)*	515.3	*6.5*	1,064.3	955.4	*11.4*
EBITDA	**105.3**	**89.0**	***18.4***	**97.1**	***8.5***	**92.6**	***13.7***	**198.0**	**163.2**	***21.3***
Margin (%)	*16.1*	*15.2*		*15.0*		*15.2*		*15.7*	*14.6*	
Depreciation	37.8	28.9	*30.7*	36.9	*2.5*	36.4	*3.9*	74.2	56.4	*31.6*
Other income	2.5	3.6	*(31.7)*	2.0	*23.8*	2.3	*6.7*	4.8	6.5	*(26.3)*
EBIT	**70.0**	**63.7**	***9.9***	**62.2**	***12.5***	**58.6**	***19.5***	**128.6**	**113.4**	***13.4***
Interest	20.1	17.7	*13.0*	18.3	*9.5*	17.7	*13.3*	37.8	36.3	*4.1*
PBT	**49.9**	**45.9**	***9***	**43.9**	***13.8***	**40.9**	***22.2***	**90.8**	**77.1**	***17.8***
Extraordinary income/(expense)	3.5	(4.2)	*NA*	-	*NA*	(3.5)	*NA*	0.0	(5.5)	*NA*
PBT (After EO)	**53.4**	**41.7**	***28***	**43.9**	***22***	**37.4**	***42.8***	**90.8**	**71.6**	***26.9***
Tax	17.6	10.4	*69*	21.4	*(18)*	14.5	*20.9*	32.1	21.0	*52.8*
% PBT	*32.9*	*24.9*		*48.7*		*38.8*		*35.3*	*29.3*	
Reported PAT	**35.9**	**31.3**	***15***	**22.5**	***59***	**22.9**	***56.7***	**58.8**	**50.6**	***16.1***
Minority interest	0.3	0.81	*(59)*	0.7	*(51)*	0.67	*(50.4)*	1.00	0.11	*808.1*
Share of profit/(loss) of associates	1.1	0.5	*121*	0.5	*119*	1.0	*16.8*	2.1	1.3	*59.7*
Net Profit attributable to shareholders	36.7	31.0	*18*	22.3	*64*	23.2	*58.1*	59.8	51.8	*15.5*
Adjusted Net Profit attributable to shareholders	34.3	34.2	*0*	22.3	*54*	25.3	*35.7*	59.6	55.8	*6.8*

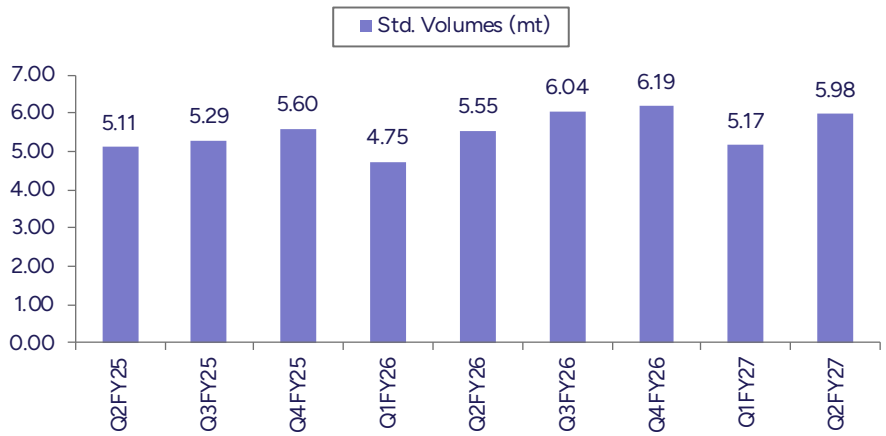
Source: Company, PL

Exhibit 4: Operating Performance

Y/e March	2QFY27	2QFY26	YoY gr. (%)	2QFY27E	% Var.	1QFY27	QoQ gr. (%)	H1FY27	H1FY26	YoY gr. (%)
Indian Operations										
Volume (mt)	5.98	5.55	*7.7*	5.97	*0.2*	5.17	*15.7*	11.2	10.3	*8.3*
Revenue (INR bn)	425.4	346.8	*22.7*	421.8	*0.8*	369.0	*15.3*	794.3	656.9	*20.9*
EBITDA (INR bn)	100.1	81.5	*22.9*	95.7	*4.6*	91.8	*9.0*	191.9	152.7	*25.7*
Realization (INR/t)	71,129	62,486	*13.8*	70,653	*0.7*	71,367	*(0.3)*	71,239	63,780	*11.7*
EBITDA (INR/t)	16,742	14,681	*14.0*	16,026	*4.5*	17,762	*(5.7)*	17,215	14,823	*16.1*
Europe operations (TSUK +TSN)										
Volume (mt)	1.68	2.11	*(20.4)*	1.68	-	1.88	*(10.6)*	3.56	4.21	*(15.4)*
Revenue (US$ mn)	2,155.5	2,479.5	*(13.1)*	2,128.6	*1.3*	2,314.5	*(6.9)*	4,470	4,900	*(8.8)*
EBITDA (US$ mn)	7.4	17.3	*(57.1)*	11.3	*(34.3)*	(31.8)	*NA*	(24)	34	*NA*
Realization/t (US$)	1,283	1,175	*9.2*	1,267	*1.3*	1,231	*4.2*	1,256	1,164	*7.9*
EBITDA/t (US$)	4.4	8.2	*(46.1)*	6.7	*(34.3)*	(16.9)	*NA*	(6.8)	8.1	*NA*

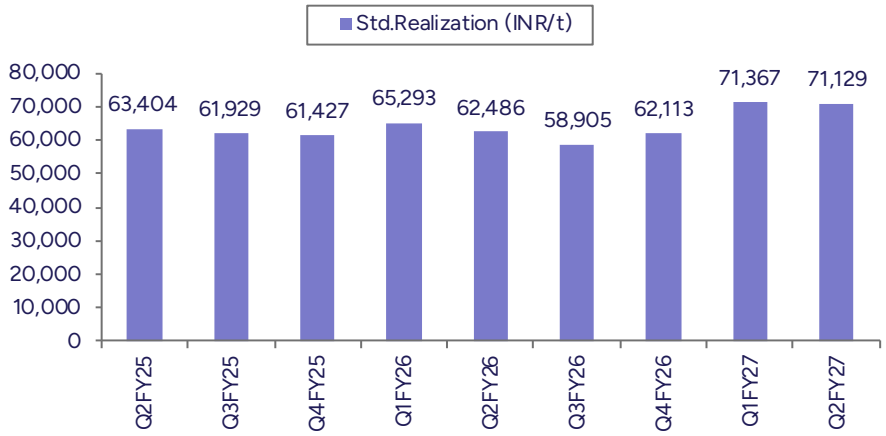
Source: Company, PL

Exhibit 5: TSI volumes grew 8% YoY/ ~16% QoQ on drawdown of inventory in Q2 vs earlier buildup.



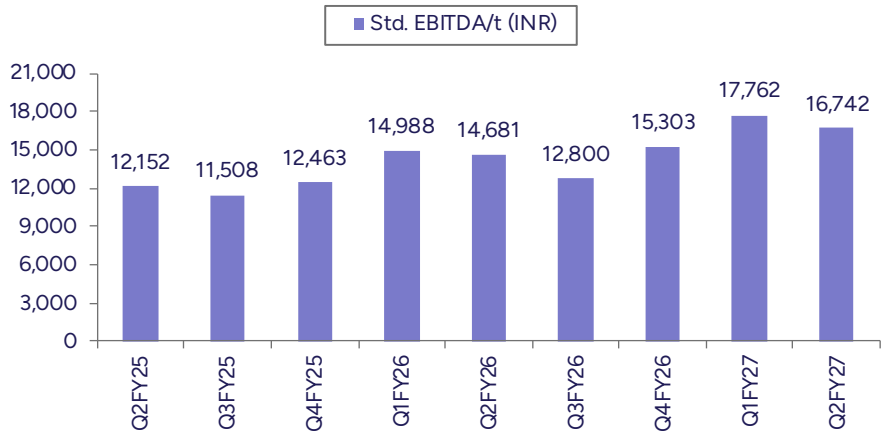
Source: Company, PL

Exhibit 6: TSI NSR was flat QoQ on some benefits of Auto contracts from Q1 and higher retail sales



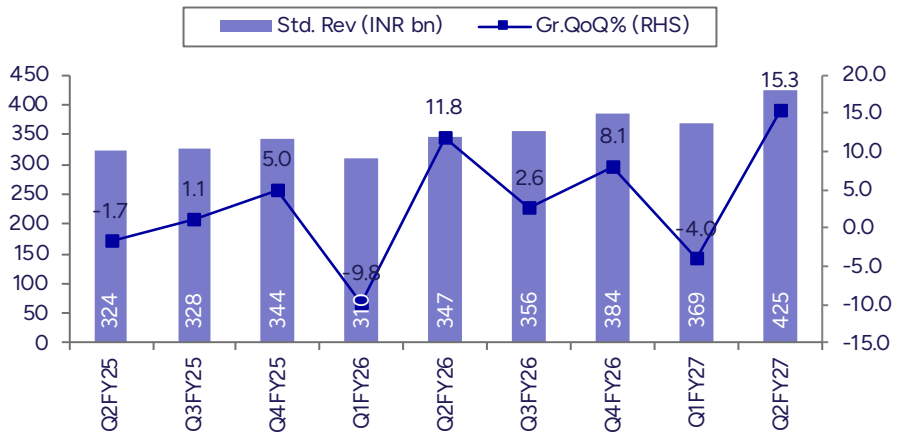
Source: Company, PL

Exhibit 7: TSI EBITDA/t increased 14% YoY on better realization and volumes despite higher CC



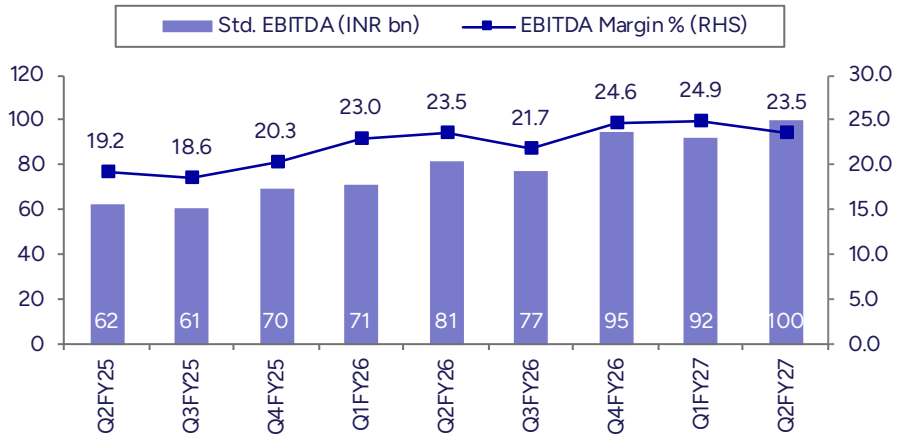
Source: Company, PL

Exhibit 8: TSI revenue up 23% YoY to INR 425bn



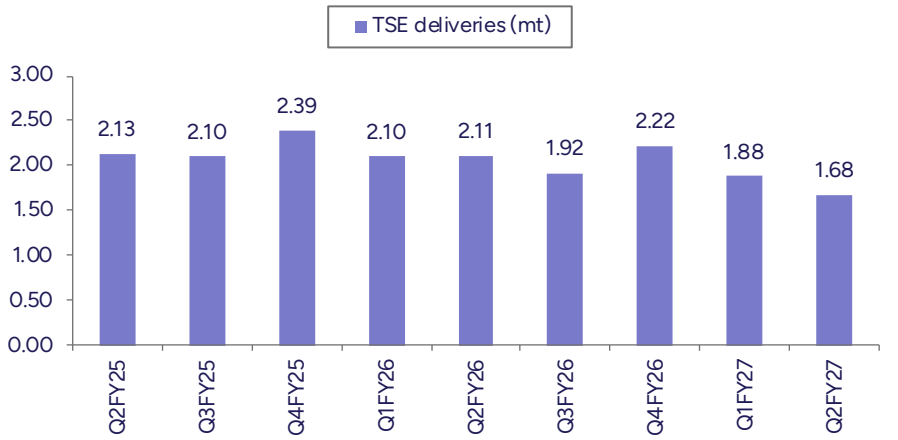
Source: Company, PL

Exhibit 9: Higher input costs despite better steel pricing restricts margin expansion



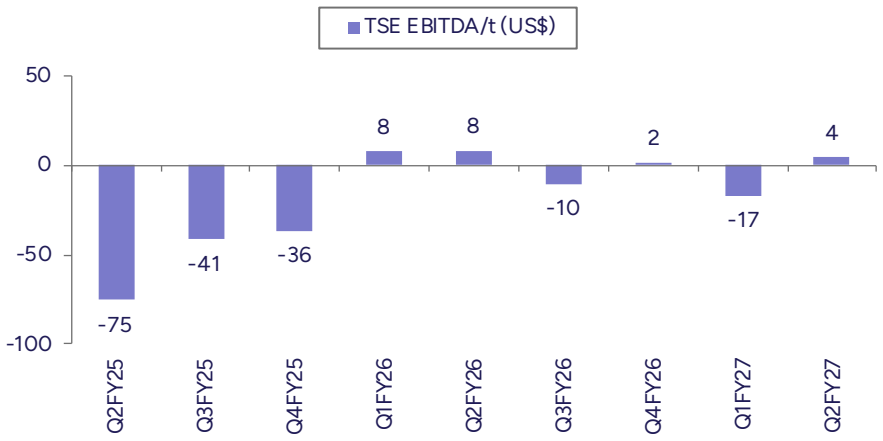
Source: Company, PL

Exhibit 10: TSE volumes lower due to inventory overhang at UK and DSP closure at TSN till Jul'26



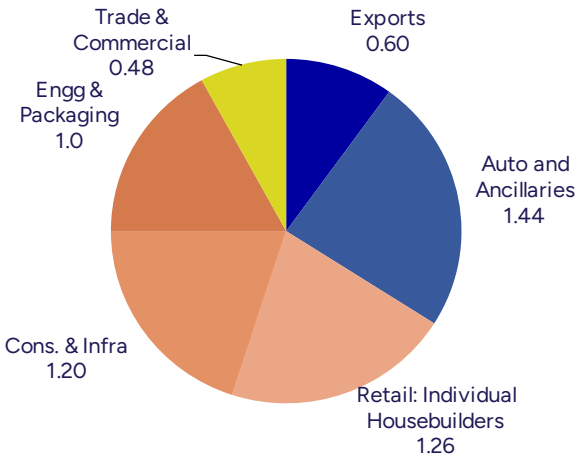
Source: Company, PL

Exhibit 11: TSE turns positive aided by TSN



Source: Company, PL

Exhibit 12: TSI: End use sectors snapshot for Q2FY27 (mt)



Source: Company, PL

Exhibit 13: Valuation Summary

Figures in INR bn	EV/EBITDA (Sep'28E)	EBITDA (INR bn)	Value (INR bn)
Indian operations	7.5	416	3,120
Other domestic operations	6.0	15	92
Tata steel Europe	5.0	34	169
South-East Asean operations	5.0	9	43
Total EV			3,425
Debt			844
Cash			109
Net debt			735
Shareholder's value			2,689
Value per share (INR)			**215**

Source: PL

Financials

Income Statement (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**2,321**	**2,844**	**3,014**	**3,056**
YoY gr. (%)	*6.2*	*22.5*	*6.0*	*1.4*
Cost of Goods Sold	936	1,094	1,159	1,156
Gross Profit	1,385	1,750	1,855	1,900
Margin (%)	*59.7*	*61.5*	*61.6*	*62.2*
Employee Cost	260	311	333	336
Other Expenses	782	959	1,042	1,067
EBITDA	**344**	**481**	**480**	**496**
YoY gr. (%)	*35.8*	*39.9*	-	*3.3*
Margin (%)	*14.8*	*16.9*	*15.9*	*16.2*
Depreciation and Amortization	120	150	159	168
EBIT	**224**	**330**	**321**	**329**
Margin (%)	*9.6*	*11.6*	*10.7*	*10.8*
Net Interest	72	76	66	62
Other Income	14	11	11	12
Profit Before Tax	**156**	**265**	**266**	**279**
Margin (%)	*6.7*	*9.3*	*8.8*	*9.1*
Total Tax	51	84	90	90
Effective Tax Rate (%)	*32.6*	*31.8*	*33.7*	*32.4*
Profit After Tax	**105**	**181**	**177**	**188**
Minority Interest	1	-	-	(5)
Share Profit from Associate	4	4	4	5
Adjusted PAT	**115**	**185**	**181**	**198**
YoY gr. (%)	*208.0*	*60.8*	*(2.0)*	*9.2*
Margin (%)	*4.9*	*6.5*	*6.0*	*6.5*
Extra Ord. Income / (Exp)	(7)	-	-	-
Reported PAT	**108**	**185**	**181**	**198**
YoY gr. (%)	*215.6*	*71.1*	*(2.0)*	*9.2*
Margin (%)	*4.6*	*6.5*	*6.0*	*6.5*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	108	185	181	198
Equity Shares O/s (bn)	**12**	**12**	**12**	**12**
EPS (INR)	**9.2**	**14.8**	**14.5**	**15.8**

Source: Company, PL

Balance Sheet (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**3,135**	**3,331**	**3,515**	**3,693**
Tangibles	3,135	3,331	3,515	3,693
Intangibles	-	-	-	-
Acc: Dep / Amortization	**1,411**	**1,561**	**1,720**	**1,888**
Tangibles	1,411	1,561	1,720	1,888
Intangibles	-	-	-	-
Net Fixed Assets	**1,724**	**1,769**	**1,794**	**1,805**
Tangibles	1,724	1,769	1,794	1,805
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	677	686
Trade Receivables	49	78	99	100
Cash & Bank Balance	101	77	72	132
Other Current Assets	57	57	57	57
Total Assets	**3,013**	**3,195**	**3,318**	**3,404**
Equity				
Equity Share Capital	12	12	12	12
Other Equity	1,009	1,144	1,270	1,407
Total Networth	**1,022**	**1,156**	**1,283**	**1,420**
Non-Current Liabilities				
Long Term Borrowings	850	810	770	710
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	460	466
Other Current Liabilities	353	399	416	420
Total Equity & Liabilities	**3,013**	**3,195**	**3,318**	**3,404**

Source: Company, PL

Cash Flow (INR bn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	160	265	266	279
Add. Depreciation	120	150	159	168
Add. Interest	72	76	66	62
Less Financial Other Income	14	11	11	12
Add. Other	(9)	(9)	(9)	(10)
Op. Profit before WC Changes	342	483	482	498
Net Changes-WC	54	(72)	(64)	(1)
Direct Tax	(46)	(81)	(87)	(87)
Net Cash from Op. Activities	**351**	**329**	**332**	**410**
Capital Expenditures	(159)	(196)	(184)	(178)
Interest / Dividend Income	11	9	9	10
Others	-	-	-	-
Net Cash from Invt. Activities	**(149)**	**(187)**	**(175)**	**(168)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	(91)	(40)	(40)	(60)
Dividend Paid	(45)	(50)	(55)	(60)
Interest Paid	(81)	(76)	(66)	(62)
Others	3	-	-	-
Net Cash from Fin. Activities	**(214)**	**(166)**	**(161)**	**(183)**
Net Change in Cash	**(12)**	**(24)**	**(4)**	**59**
Free Cash Flow	205	133	148	232

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	14.8	14.5	15.8
CEPS	18.8	26.9	27.3	29.3
BVPS	81.9	92.7	102.8	113.8
FCF	16.4	10.7	11.9	18.6
DPS	4.0	4.4	4.8	5.3
Return Ratio (%)				
RoCE	12.2	17.2	16.0	15.7
ROIC	8.8	12.3	11.1	11.4
RoE	11.9	17.0	14.8	14.6
Balance Sheet				
Net Debt : Equity (x)	0.7	0.6	0.5	0.4
Net Working Capital (Days)	18	30	38	38
Valuation (x)				
PER	20.6	12.8	13.1	12.0
P/B	2.3	2.1	1.8	1.7
P/CEPS	10.1	7.1	7.0	6.5
EV/EBITDA	9.1	6.5	6.4	5.9
EV/Sales	1.3	1.1	1.0	1.0
Dividend Yield (%)	2.1	2.3	2.5	2.8
FCFF Yield (%)	8.6	5.6	6.2	9.8
PEG Ratio	0.1	0.2	(6.5)	1.3

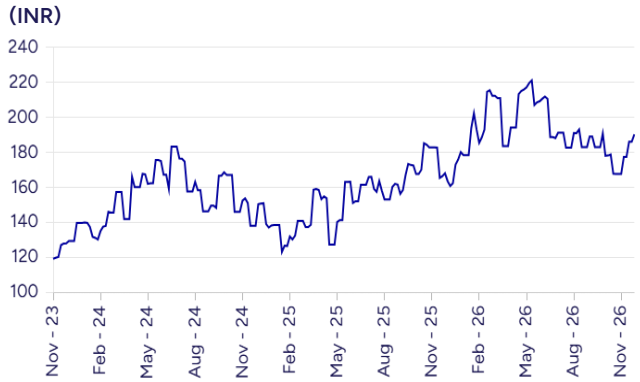
Source: Company, PL

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	08-Oct-26	Accumulate	209	176
2	01-Aug-26	Accumulate	212	190
3	08-Jul-26	Accumulate	226	188
4	18-May-26	Accumulate	247	217
5	09-Apr-26	Accumulate	216	205
6	07-Feb-26	Accumulate	226	197
7	09-Jan-26	Accumulate	204	180
8	12-Dec-25	Accumulate	188	166
9	13-Nov-25	Accumulate	196	177
10	08-Oct-25	Accumulate	196	171

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Adani Port & SEZ	BUY	2248	1761
2	Aegis Vopak Terminals	BUY	323	240
3	Ambuja Cement	BUY	474	355
4	Dalmia Bharat	BUY	1970	1625
5	Hindalco Industries	BUY	1113	911
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	209	176
19	Ultratech Cement	BUY	14623	10650
20	Usha Martin	BUY	596	518

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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