

India

REDUCE (no change)

Consensus ratings*: Buy 20 Hold 5 Sell 10

Current price: Rs973
 Target price: ▲ Rs766
 Previous target: Rs470
 Up/downside: -21.3%
 InCred Research / Consensus: -25.8%

Reuters: JSTL.NS
 Bloomberg: JSTL IN
 Market cap: US\$28,144m
 Rs2,379,916m
 Average daily turnover: US\$24.0m
 Rs2028.2m
 Current shares o/s: 2,417.3m
 Free float: 42.6%

*Source: Bloomberg



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(7.8)	4.2	9.3
Relative (%)	(13.7)	1.3	0.3

Major shareholders	% held
Promoter & Promoter Group	45.4
JFE Steel International Europe BV	15.0
Life Insurance Corporation	7.1

JSW Steel

Earnings cut on the cards; retain REDUCE

- The Supreme Court's 2nd May 2025 ruling ordering the liquidation of Bhushan Power and Steel (BPSL) has cast a shadow of uncertainty.
- JSW Steel's earnings projections for FY26F–27F appear to be overly optimistic, with consensus EBITDA estimates inflated by 30%.
- The stock is trading at an unrealistic valuation of 3.8x P/BV & 2.2x EV/IC. We maintain our REDUCE rating on it with a revised target price of Rs766.

BPSL- Supreme Court's judgement casts a big shadow of doubt

The Supreme Court's 2nd May 2025 judgment ordering the liquidation of Bhushan Power and Steel (BPSL) marks a dramatic reversal of JSW Steel's Rs197bn acquisition—one of the most high-profile insolvency resolutions under India's Insolvency and Bankruptcy Code or IBC framework. The apex court deemed the resolution plan illegal, citing violations of Sections 30(2) & 31(2) of the IBC and highlighting serious lapses on the part of the Committee of Creditors (CoC), the Resolution Professional, and JSW Steel. The company was accused of deliberately delaying the resolution process, misrepresenting facts, and failing to infuse committed equity, leading to the order for liquidation and return of payments made. This introduces deep legal and operational uncertainty for BPSL. While we are not in a position to provide legal counsel or predict the next steps—such as a possible appeal or continuation of operations during the legal proceedings, JSW Steel's investment of nearly Rs300bn in BPSL is now at substantial risk. Given JSW Steel's EV/IC multiple of ~2.2x, this asset alone contributed approximately Rs700bn to the company's enterprise value. Even if JSW Steel recovers its base investment, the incremental value creation of ~Rs420bn is now likely lost.

Consensus EBITDA estimates are higher by 30% for FY26F/27F

JSW Steel's current earnings appear significantly inflated, and we believe consensus EBITDA projections for FY26F–27F are too optimistic—potentially 30% above realistic levels. Street expectations seem to be building in an aggressive volume growth, a sharp recovery in steel prices, and a notable decline in input costs. While some tailwinds—such as declining iron ore costs and the commencement of captive mining—may offer partial relief, we see considerable headwinds for steel prices. As discussed in detail in our recent JSPL report, the global steel price outlook remains weak, and any assumption of a sustained price recovery is premature ([Please click here to see the report](#)).

We value the stock at 10x EV/EBITDA for a TP of Rs766; REDUCE

Despite its commodity nature, JSW Steel is trading at elevated valuation, with an EV/invested capital multiple of nearly 2x, which assumes unrealistically high RoIC. Market is still influenced by the FY22 earnings euphoria, but as RoIC reverts to 12–13%, the valuation will normalize close to 1x invested capital. The stock is also trading at a near 18-year high on EV/EBITDA basis. We retain our REDUCE rating on JSW Steel with a revised target price of Rs766 (Rs470 earlier).

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Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	1,659,600	1,750,060	1,666,258	1,744,850	1,820,545
Operating EBITDA (Rsm)	185,470	282,360	223,060	256,465	296,600
Net Profit (Rsm)	41,669	90,009	42,701	60,694	83,723
Core EPS (Rs)	11.8	18.9	25.9	25.9	25.9
Core EPS Growth	(83.5%)	60.3%	37.3%	0.0%	0.0%
FD Core P/E (x)	70.54	32.66	68.84	48.43	35.11
DPS (Rs)	6.5	6.5	6.5	6.5	6.5
Dividend Yield	0.67%	0.67%	0.67%	0.67%	0.67%
EV/EBITDA (x)	19.06	13.08	16.42	14.08	11.92
P/FCFE (x)	16.15	149.21	15.68	13.87	12.02
Net Gearing	86.7%	91.8%	85.4%	75.4%	61.7%
P/BV (x)	4.47	3.78	3.67	3.49	3.24
ROE	5.6%	12.0%	5.4%	7.4%	9.6%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Earnings cut on the cards; retain REDUCE

The BPSL saga

In the judgment delivered on 2nd May 2025, the Honourable Supreme Court ordered the liquidation of BPSL. Please note that BPSL had been acquired by JSW Steel, and the latter was in the process of expanding its capacity to 5mt, making it one of the key volume growth drivers for the company. At this point, there is considerable uncertainty surrounding the future course of action, including:

- Whether JSW Steel will appeal the judgment.
- If an appeal is filed, what will be the operational status of the company during the appeal process?
- Since the judgment was delivered by a two-judge bench, an appeal would need to be heard by a bench with a higher number of judges. However, the legal precedent and process for constituting such a bench in cases like this are unclear.

Overall, the 5mt BPSL capacity remains subject to significant legal and operational uncertainty.

The acquisition of BPSL by JSW Steel ➤

The acquisition of Bhushan Power & Steel (BPSL) by JSW Steel is one of the most high-profile and complex insolvency cases under India's Insolvency and Bankruptcy Code (IBC).

- BPSL was a major steel producer in India, primarily serving the automotive and infrastructure sectors.
- In 2017, BPSL was among the first 12 large defaulters referred to the National Company Law Tribunal (NCLT) by the Reserve Bank of India (RBI) under the IBC. BPSL owed lenders over Rs470bn (~US\$6.5bn at that time).
- Major steel companies including Tata Steel, JSW Steel, and Liberty House (UK-based) submitted resolution plans.
- After a prolonged bidding war, JSW Steel emerged as the highest bidder, offering around Rs197bn in upfront cash and Rs3.5bn in equity infusion, totaling an enterprise value of over Rs190bn.
- Litigation delays (2018–2020): The resolution process was delayed for over two years due to multiple litigations: Rival bidders and some creditors challenged the process. The Enforcement Directorate (ED) attached BPSL's assets in connection with alleged fraud and money laundering, creating uncertainty over asset control.
- This created a legal impasse between the NCLT, ED, and Supreme Court. Final clearance & acquisition (2020): In Oct 2020, after a Supreme Court ruling, JSW Steel received approval to take over BPSL with immunity from past criminal proceedings. JSW Steel completed the acquisition of BPSL for Rs193.5bn.
- Strategic rationale for JSW Steel: Added 3.5mtpa (million tonne per annum) of steel capacity. Gave JSW Steel a presence in eastern India, complementing its western and southern India operations. Strengthened JSW Steel's long-term growth strategy, helping it move toward a 30mtpa steel production target.

Supreme Court judgment on the JSW Steel–Bhushan Power and Steel (BPSL) case ➤

On 2nd May 2025, the Supreme Court delivered a landmark judgment rejecting JSW Steel's Rs197bn resolution plan to acquire BPSL under the Insolvency and Bankruptcy Code (IBC) and instead ordered the liquidation of BPSL. This decision comes four years after JSW Steel had completed the acquisition, marking a significant reversal in one of India's largest insolvency cases. Key findings and

directions of the Supreme Court - The relevant screenshots of a part of the judgement indicating the same is given below.

Figure 1: On the violation of Section 29A of the IBC

- 21.** Thus, as evinced from the record, there was neither a certificate given nor any statement made by the Resolution Professional in the said Application, to the effect that the contents of the Affidavit filed by the Resolution Applicant with regard to its eligibility to file the Resolution Plan, were in order. In the afore-stated Table, against the column of requirement that "the disqualification under Section 29A of the Code should not apply," the Resolution Professional has merely referred to Annexure 12 of the Approved Resolution Plan of JSW. As elicited, the said Annexure 12 of the Approved Resolution Plan which allegedly pertained to the mandatory disclosures, only disclosed the identity of the Resolution Applicant and the connected persons. The said Annexure 12 nowhere had stated about the eligibility/ineligibility of the Resolution applicant as required under Section 29A.

SOURCE: INCRED RESEARCH, [HTTPS://WWW.SCI.GOV.IN/VIEW-PDF/?DIARY_NO=73582020&TYPE=J&ORDER_DATE=2025-05-02&FROM=LATEST_JUDGEMENTS_ORDER](https://www.sci.gov.in/view-pdf/?DIARY_NO=73582020&TYPE=J&ORDER_DATE=2025-05-02&FROM=LATEST_JUDGEMENTS_ORDER)

Figure 2: On the question whether NCLAT can decide on the issue of attaching BPSL's assets in the PAO case

- 31.** In that view of the matter, it is held that the observations made and the findings recorded by the NCLAT in the impugned judgment with regard to the PAO dated 10.10.2019 passed by the Directorate of Enforcement under the PMLA, being without any authority of law and without jurisdiction, were *coram non iudice*.

SOURCE: INCRED RESEARCH, [HTTPS://WWW.SCI.GOV.IN/VIEW-PDF/?DIARY_NO=73582020&TYPE=J&ORDER_DATE=2025-05-02&FROM=LATEST_JUDGEMENTS_ORDER](https://www.sci.gov.in/view-pdf/?DIARY_NO=73582020&TYPE=J&ORDER_DATE=2025-05-02&FROM=LATEST_JUDGEMENTS_ORDER) *CORAM NON JUDICE = FRONT OF ONE WHO IS NOT COMPETENT TO ACT AS A JUDGE

1. Illegality and non-compliance of the resolution plan

- The Supreme Court held that the resolution plan approved by the Committee of Creditors (CoC) and accepted by the National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) was "illegal" and "contrary" to the mandatory provisions of the IBC and Corporate Insolvency Resolution Process (CIRP) regulations.
- Specifically, the plan did not conform to Section 30(2) (which outlines requirements for resolution plans) and Section 31(2) (which empowers the NCLT to reject non-compliant plans) of the IBC.

2. Flaws in the conduct of the CoC and the resolution professional

- The CoC was criticized for failing to exercise its "commercial wisdom" and for approving a plan that was in "absolute contravention" of the IBC and CIRP regulations.
- The resolution professional was found to have "utterly failed" in discharging statutory duties under the IBC during the CIRP.

3. JSW Steel's conduct and plan implementation

- The apex court found that JSW Steel wilfully failed to comply with the terms of the approved resolution plan for about two years, despite there being no legal impediment, thereby frustrating the objectives of the IBC.
- The use of optionally convertible debentures (OCDs) instead of direct equity infusion was highlighted as a major flaw. This structure did not bring in funds upfront as required and was seen as lacking transparency and failing to ensure timely implementation.
- The Supreme Court also noted that JSW Steel made misrepresentations before the CoC and courts, and acted with "malafide and dishonest" intent, taking undue advantage of pending Enforcement Directorate proceedings to delay plan implementation.

4. Orders for liquidation

- The Supreme Court set aside the earlier orders of the NCLT and NCLAT that had approved JSW Steel's resolution plan.
- It directed the NCLT to initiate liquidation proceedings against BPSL.
- Payments made by JSW Steel to financial and operational creditors, and any equity infused, are to be returned as per previous undertakings by the CoC.

Figure 3: On the issue of equity infusion of Rs85bn by JSW Steel

79. An illegality of any nature cannot be permitted to be perpetuated, and a plea of *fait accompli* cannot be permitted to be raised by any party to cover up their illegal acts, after achieving the ill motivated intentions circumventing the law. As demonstrated earlier, there was an entire spectrum of lacunas and flaws in the Resolution Plan of JSW with regard to non-compliance of the mandatory requirements under the IBC. The Resolution Plan as approved by the CoC was an unconditional plan, and JSW was supposed to implement the same regardless of any unprecedented challenges or circumstances. JSW cannot treat the plan as conditional or optional, nor can it abdicate its responsibilities on the ground of unforeseen obstacles. It is pertinent to note that though all throughout from the date of order passed by the NCLT till March, 2021, the stand of the JSW evidenced through an affidavit was that it was not obliged to implement the plan because of the pendency of these Appeals, however JSW played smart by making part payment to the Financial Creditors in March, 2021, realizing the beneficial market trend of the Steel. It also surreptitiously got the Effective date extended to 31.03.2021 from the so-called core group of CoC, which

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had already become *functus officio* and which had no authority to extend the said Effective date. The net result is that the upfront payments as agreed to be made in the Resolution Plan within thirty days of the approval of the plan by NCLT was delayed by 540 days in respect of payment to the Financial Creditors and by 900 days in respect of payment to the Operational Creditors. The Equity commitment as per clause 2.3 of the Resolution Plan with regard to the infusion of Equity into the Company for an amount aggregating INR 8,550 crores, to be infused upfront on the Effective date, was also not complied with by JSW.

SOURCE: INCRED RESEARCH, [HTTPS://WWW.SCI.GOV.IN/VIEW-PDF/?DIARY_NO=73582020&TYPE=J&ORDER_DATE=2025-05-02&FROM=LATEST_JUDGEMENTS_ORDER](https://www.sci.gov.in/view-pdf/?DIARY_NO=73582020&TYPE=J&ORDER_DATE=2025-05-02&FROM=LATEST_JUDGEMENTS_ORDER)

Figure 4: On the question of time extension provided by the resolution professional

- 56.** Apart from the fact that the two provisos subsequently inserted in Section 12 w.e.f. 16.08.2019 were not applicable to the facts of the present case, the CIRP against BPSL having been initiated on 26.07.2017 and the Resolution Professional having filed the Application under Section 31 on 14.02.2019, even the maximum period of 330 days including the time taken in legal proceedings had expired much prior to filing of the said Application under Section 31 on 14.02.019.
- 57.** In that view of the matter, we have no hesitation in holding that the Application submitted by the Resolution Professional seeking approval of the Resolution Plan of JSW under Section 31 being hit by Section 12 of IBC, the NCLT had committed grave error of law in approving the said plan vide its order dated 05.09.2019.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

What lies ahead for JSW Steel? ➤

The Supreme Court is the highest judicial authority in the country, and its decisions are final and binding. There is no regular appellate forum above the Supreme Court for civil matters, including those under the Insolvency and Bankruptcy Code (IBC). Once the Supreme Court has delivered its judgment, as it did on 2nd May 2025, rejecting JSW Steel's resolution plan and ordering liquidation of BPSL, the judgment is typically final.

However, in exceptional circumstances, a party can:

- File a **review petition** before the Supreme Court under Article 137 of the Constitution of India, seeking a review of the judgment. Such petitions are only entertained on very limited grounds, such as an error apparent on the face of the record, and are rarely successful.
- File a **curative petition** as a last resort, but this is even more restricted and is allowed only in cases where there is a gross miscarriage of justice.

We don't have the legal expertise to opine on the future course of action for JSW Steel; however, suffice to say that the options are limited for JSW Steel.

The earnings are inflated

As it is usually the case, the earnings are highly inflated for JSW Steel. We have captured the macroeconomic scenario for Indian steel in detail in our recently published report on Jindal Steel and Power or JSPL ([Please see the link](#)). We expect consensus EBITDA estimates to be cut by 30% in FY26F and FY27F. We retain our REDUCE rating on the stock with a new target price of Rs766.

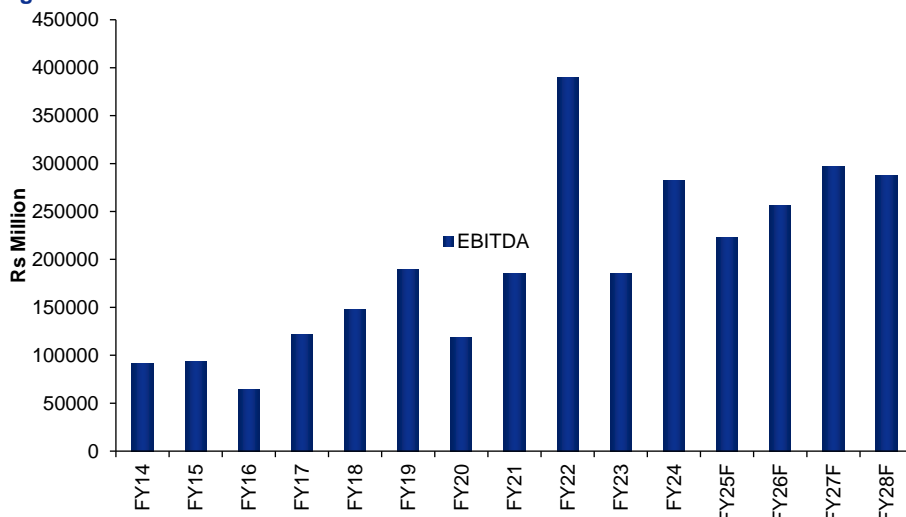
We expect FY26F and FY27F EBITDA to be lower than consensus estimates by 30% each ➤

Figure 5: As is typical with commodity businesses, JSW Steel's EBITDA is currently inflated and is expected to normalize; we anticipate a correction of approximately 30% in FY26F/27F EBITDA estimates

JSW Steel Ltd		Cstd	C	Periodicity	Annually	Source	Standard	Cur	INR
More estimates are available MODL »				Broker				Guidance	
Headline		Headline Growth		Company-Specific					
12 Months Ending	FY 2024 Act	FY 2025 Est		FY 2026 Est		FY 2027 Est		FY 2028 Est	
	03/31/2024	03/31/2025	#	03/31/2026	#	03/31/2027	#	03/31/2028	#
11) EPS, Adj+	36.170	19.093 ↓	33	52.142 ↓	34	65.612	33	74.073	3
12) EPS, GAAP	36.170	19.971 ↓	21	53.589 ↓	21	67.393	20	74.073	3
13) Revenue	1.750T	1.716T	33	1.982T	34	2.179T	33	2.179T	4
14) Gross Margin %	47.621	44.083	10	47.046 ↑	10	47.842 ↑	10	47.049	4
15) Operating Profit	204.030B	147.753B ↓	30	246.629B	30	291.599B ↑	30	286.356B	3
16) EBIT	200.640B	147.961B ↓	29	248.804B	29	294.677B ↑	29	286.356B	3
17) EBITDA	282.360B	237.189B	33	344.097B	34	397.248B	33	417.991B	6
18) Pre-Tax Profit	129.630B	69.734B ↓	31	169.834B ↓	31	215.683B ↑	31	215.065B	2
19) Current Profit		55.546B	1	162.776B	1	216.272B	1		
20) Net Income, Adj+	88.120B	46.821B ↓	24	127.436B ↓	25	160.148B	24	142.847B	5
Current Multiples		Hide Multiples							
	Last 4 Qtrs Act	Next 4 Qtrs Est		FY 2025		FY 2026		FY 2027	
Price/EPS, Adj+	26.91	27.06		50.97		18.66		14.83	
Price/Book	3.05			2.94		2.61		2.26	
Price/Cash Flow	48.06			16.04		10.57		9.12	
EV/Revenue	1.94	1.75		1.90		1.64		1.50	
EV/EBITDA	13.44	11.01		13.75		9.48		8.21	
EV/EBIT	23.90	15.78		22.04		13.10		11.06	
EV/OPP	23.90	16.15		22.07		13.22		11.18	
Dividend Yield	0.75			0.59		0.89		0.95	
*Period Notes		<<	<	More Periods	>	>>	Reported, Estimated		

SOURCE: INCRED RESEARCH, COMPANY REPORTS

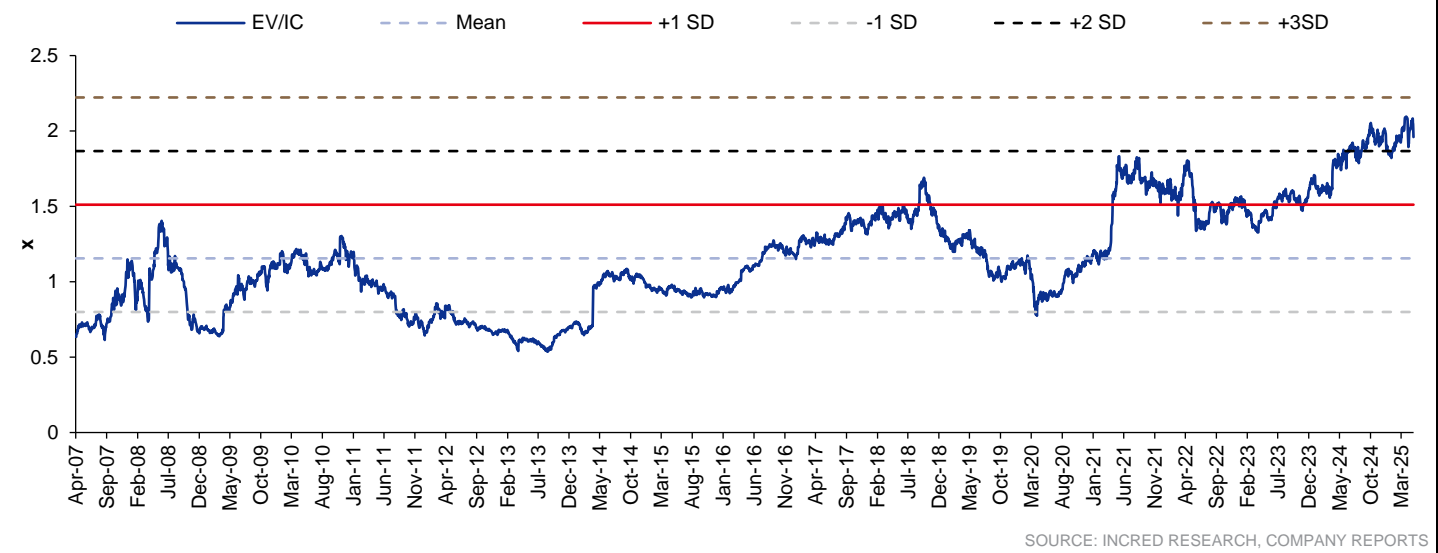
Figure 6: Our EBITDA estimates are 30% lower than consensus for FY26F and FY27F



SOURCE: INCRED RESEARCH, COMPANY REPORTS

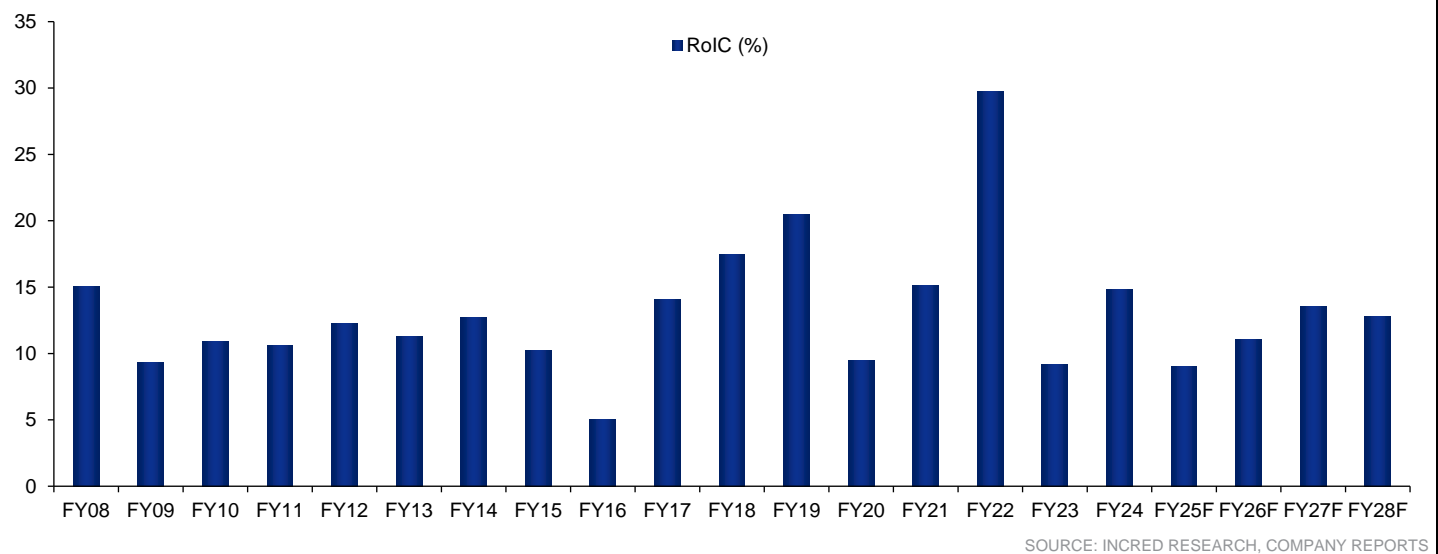
Investors assume that every investment made by JSW Steel is value-accretive, which is why the company continues to command a high EV/IC (Enterprise Value to Invested Capital) multiple ➤

Figure 7: Investors are valuing JSW Steel at 2x invested capital and hence, inherently they assume that RoIC is significantly above the cost of capital



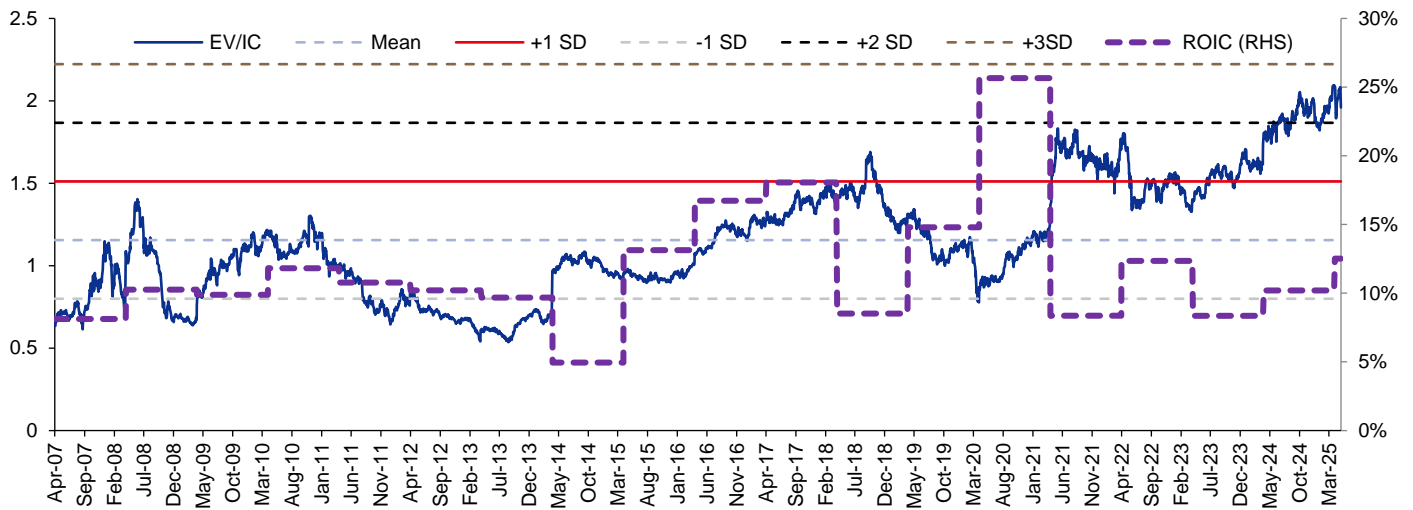
However, history indicates that investors' faith is misplaced ➤

Figure 8: JSW Steel's stock price is still experiencing the hangover of FY22; the new reality of 12-13% RoIC has not yet dawned on investors



However, sooner or later the market will price 12-13% RoIC and then the stock price will fall to 1x IC ➤

Figure 9: Despite a barely 12% RoIC, the stock is trading at EV/IC of 2.2, something unheard of for any steel maker globally



SOURCE: INCRED RESEARCH, COMPANY REPORTS

JSW Steel stock is trading near 3SD of the long-term mean on EV/EBITDA ➤

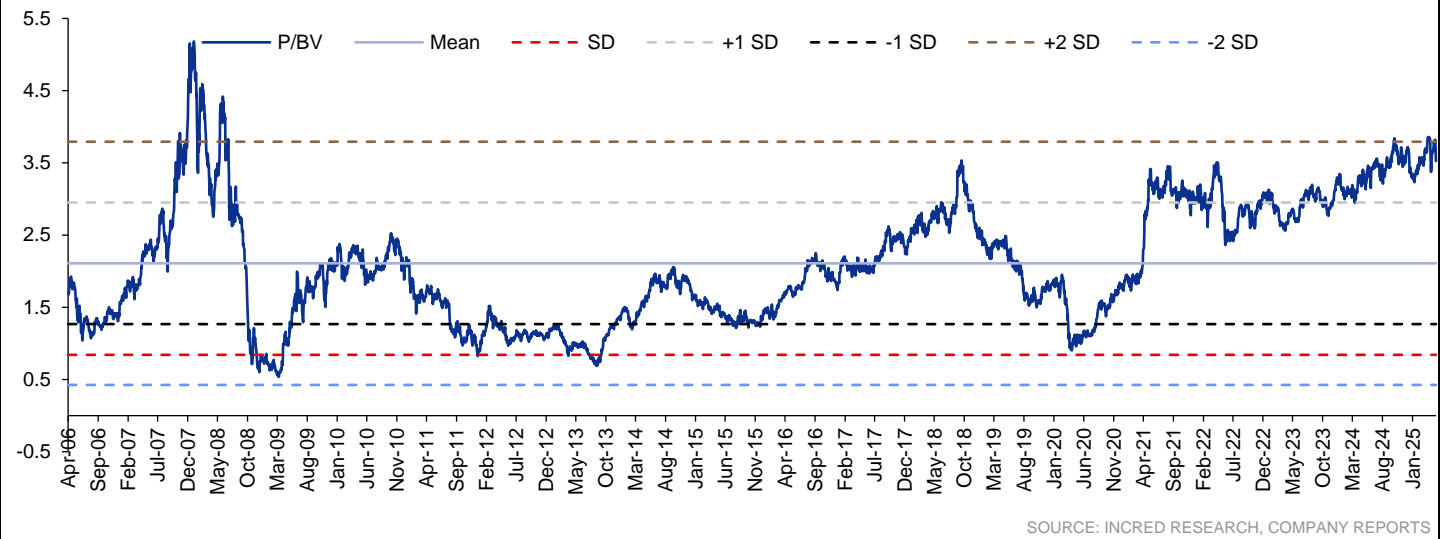
Figure 10: JSW Steel's valuation is near its 18-year high on one-year EV/EBITDA



SOURCE: INCRED RESEARCH, COMPANY REPORTS

P/BV of JSW Steel will put NTPC to shame, remember NTPC works on fixed RoE ➤

Figure 11: Leave aside NTPC, HDFC used to trade at such lofty P/BV valuation near its peak growth and RoE



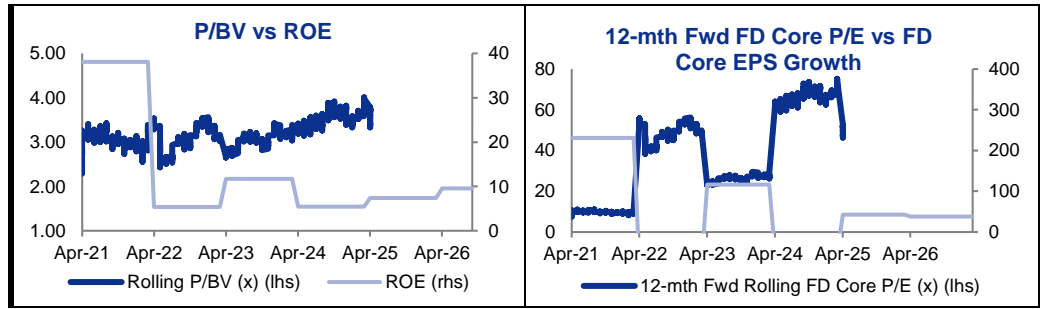
We value JSW Steel at a mean valuation of 10x EV/EBITDA to arrive at our new target price of Rs766 ➤

Figure 12: Valuation of JSW Steel

	Item	Valuation
Consolidated FY27F EBITDA	Rs m	2,96,600
1- year forward multiple	x	10.0
FY26F EV	Rs m	29,65,999
FY26F Net debt	Rs m	6,51,348
FY26F Equity value	Rs m	23,14,651
FY26F Equity value per share	Rs/share	766
1-year forward target price	Rs/share	766

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	1,659,600	1,750,060	1,666,258	1,744,850	1,820,545
Gross Profit	726,260	833,390	790,621	842,944	909,869
Operating EBITDA	185,470	282,360	223,060	256,465	296,600
Depreciation And Amortisation	(74,740)	(81,720)	(88,258)	(92,677)	(97,096)
Operating EBIT	110,730	200,640	134,803	163,788	199,504
Financial Income/(Expense)	(69,020)	(81,050)	(86,834)	(91,763)	(96,693)
Pretax Income/(Loss) from Assoc.	(1,370)	(1,720)	(1,720)	(1,720)	(1,720)
Non-Operating Income/(Expense)	10,300	10,040	11,044	11,044	11,044
Profit Before Tax (pre-EI)	50,640	127,910	57,293	81,349	112,135
Exceptional Items	5,910	5,890			
Pre-tax Profit	56,550	133,800	57,293	81,349	112,135
Taxation	(15,160)	(44,070)	(14,871)	(20,933)	(28,692)
Exceptional Income - post-tax					
Profit After Tax	41,390	89,730	42,422	60,415	83,444
Minority Interests					
Preferred Dividends	279	279	279	279	279
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	41,669	90,009	42,701	60,694	83,723
Recurring Net Profit	37,343	86,059	42,701	60,694	83,723
Fully Diluted Recurring Net Profit	37,343	86,059	42,701	60,694	83,723

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	185,470	282,360	223,060	256,465	296,600
Cash Flow from Invt. & Assoc.					
Change In Working Capital	31,050	(136,150)	2,420	(5,001)	(4,817)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	10,720	(11,310)	(4,231)	346	371
Other Operating Cashflow	78,920	94,180	97,878	102,807	107,737
Net Interest (Paid)/Received	(66,550)	(80,510)	(86,834)	(91,763)	(96,693)
Tax Paid	(6,380)	(27,790)	(14,871)	(20,933)	(28,692)
Cashflow From Operations	233,230	120,780	217,422	241,921	274,506
Capex	(147,490)	(155,470)	(80,000)	(80,000)	(80,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	40,380	9,090			
Cash Flow From Investing	(107,110)	(146,380)	(80,000)	(80,000)	(80,000)
Debt Raised/(repaid)	55,840	45,300	50,000	50,000	50,000
Proceeds From Issue Of Shares	590	60			
Shares Repurchased					
Dividends Paid	(41,940)	(8,220)	(19,912)	(19,912)	(19,912)
Preferred Dividends					
Other Financing Cashflow	(74,260)	(87,190)	(86,834)	(91,763)	(96,693)
Cash Flow From Financing	(59,770)	(50,050)	(56,746)	(61,675)	(66,605)
Total Cash Generated	66,350	(75,650)	80,676	100,245	127,901
Free Cashflow To Equity	181,960	19,700	187,422	211,921	244,506
Free Cashflow To Firm	192,670	54,910	224,256	253,684	291,199

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	207,190	123,510	204,156	304,402	432,303
Total Debtors	71,340	75,480	74,598	77,572	80,437
Inventories	331,350	378,150	365,086	382,306	398,892
Total Other Current Assets	71,620	68,200	68,200	68,200	68,200
Total Current Assets	681,500	645,340	712,040	832,480	979,832
Fixed Assets	1,264,900	1,410,380	1,402,123	1,389,446	1,372,350
Total Investments	48,010	55,340	55,340	55,340	55,340
Intangible Assets	1,280	6,390	6,390	6,390	6,390
Total Other Non-Current Assets	115,090	164,530	164,530	164,530	164,530
Total Non-current Assets	1,429,280	1,636,640	1,628,383	1,615,706	1,598,610
Short-term Debt	168,760	182,210	182,210	182,210	182,210
Current Portion of Long-Term Debt					
Total Creditors	382,030	333,650	322,124	337,317	351,951
Other Current Liabilities	148,840	144,790	144,790	144,790	144,790
Total Current Liabilities	699,630	660,650	649,124	664,317	678,951
Total Long-term Debt	619,660	673,540	723,540	773,540	823,540
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	27,790	38,930	38,930	38,930	38,930
Total Non-current Liabilities	647,450	712,470	762,470	812,470	862,470
Total Provisions	93,310	111,100	106,869	107,216	107,586
Total Liabilities	1,440,390	1,484,220	1,518,463	1,584,003	1,649,007
Shareholders Equity	656,960	776,690	800,890	843,113	908,365
Minority Interests	13,440	21,070	21,070	21,070	21,070
Total Equity	670,400	797,760	821,960	864,183	929,435

Key Ratios

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	13.4%	5.5%	(4.8%)	4.7%	4.3%
Operating EBITDA Growth	(52.5%)	52.2%	(21.0%)	15.0%	15.6%
Operating EBITDA Margin	11.2%	16.1%	13.4%	14.7%	16.3%
Net Cash Per Share (Rs)	(192.43)	(242.43)	(232.28)	(215.65)	(189.85)
BVPS (Rs)	217.50	257.14	265.16	279.13	300.74
Gross Interest Cover	1.60	2.48	1.55	1.78	2.06
Effective Tax Rate	26.8%	32.9%	26.0%	25.7%	25.6%
Net Dividend Payout Ratio	54.9%	23.3%	46.0%	32.3%	23.4%
Accounts Receivables Days	16.16	15.31	16.44	15.92	15.84
Inventory Days	130.86	141.25	154.91	151.23	156.55
Accounts Payables Days	135.10	142.48	136.68	133.44	138.13
ROIC (%)	6.2%	8.3%	8.4%	10.2%	12.5%
ROCE (%)	7.4%	12.2%	7.5%	8.8%	10.1%
Return On Average Assets	4.2%	6.3%	5.6%	6.4%	7.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
Hold The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.