



Equity Research Desk

ALPHA



A Legacy Synonymous with Stainless Steel



Founded: 1980
HQ: New Delhi



Global Presence: Operations in 16 facilities (India, Spain, Indonesia)
Commercial presence in 12+ countries



Products: 120+ stainless steel grades



Sectors Served: Automotive, Infrastructure, Consumer Durables, Industrial Applications



Ranking: Among top 5 stainless steel producers globally (excluding China)

Subsidiaries



Subsidiaries: 19 subsidiaries; 3 associates; 2 joint ventures (as of FY25)

Growth Strategies



Strategic Acquisitions & Backward Integration

- Acquired remaining 46% stake in Chromeni Steels Ltd → now wholly owned
- Enhanced cold rolling (CR) capacity; Mundra facility (0.6 MTPA) → logistics advantage → Product mix diversification and margin expansion
- JV with New Yanking Pte. Ltd → world-class Nickel Pig Iron smelter (200,000 MT/yr, 14% Ni) → Raw material securitisation

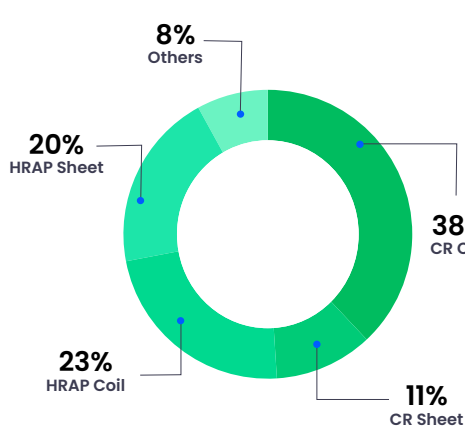


Capacity Expansion & Growth Initiatives

- Scale capacity: 3.0 → 4.2 MTPA by FY26/27; Q1FY26 volumes +8% YoY
- Value-added products → 35–40% of mix; stainless steel adoption rising in metros, airports, automotive, railways, elevators, white goods
- Investments: ₹3,350 Cr in downstream capacity & Jaipur infrastructure; greenfield Maharashtra facility for specialized grades
- International expansion: Stainless steel melt shop in Indonesia
- Sustainable logistics: Partnership with CJ Darcl → 50 high-strength stainless steel containers deployed

Revenue Breakup (FY25)

Total Revenue (FY25) – ₹40,182 crore



Financial Highlights



Q1FY26

- Revenue: ₹10,207 Cr (↑ 8% YoY)
- EBITDA: ₹1,310 Cr (↑ 8% YoY)
- Net Profit: ₹715 Cr (↑ 11% YoY)

Steady growth backed by strong operational performance and resilient demand.



FY25

- Revenue: ₹40,182 Cr (↑ 5% YoY)
- Operating Profit: ₹3,905 Cr (↓ 3% YoY)
- Net Profit: ₹2,711 Cr (↑ 7% YoY)

Performance: Volumes ↑ 9% YoY; strong demand from railways, automotive, infrastructure, oil & gas, and pipes & tubes segments; profitability impacted by pricing pressure and inventory valuation

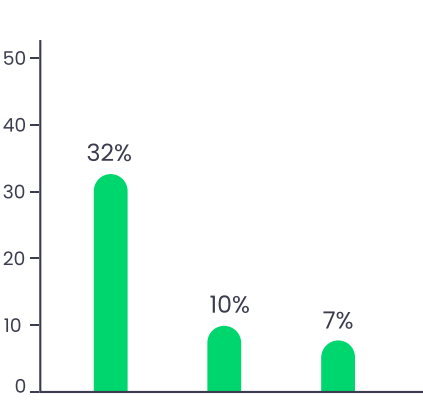


3 Year Financial Performance

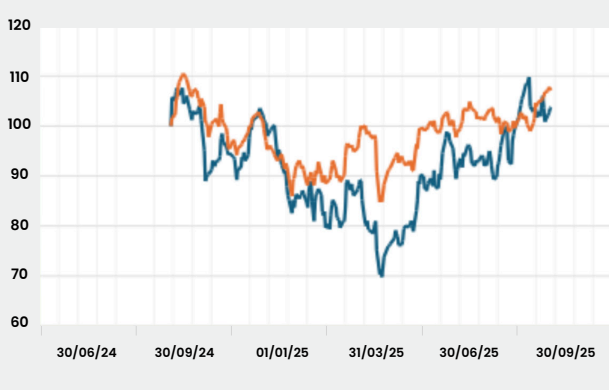
- Avg. 3-Year ROE: ~18%
- ROCE: ~20% (FY23–25)
- Debt-to-Equity Ratio: 0.38

Performance Insight: Strong capital structure supporting consistent returns

Margins–FY25



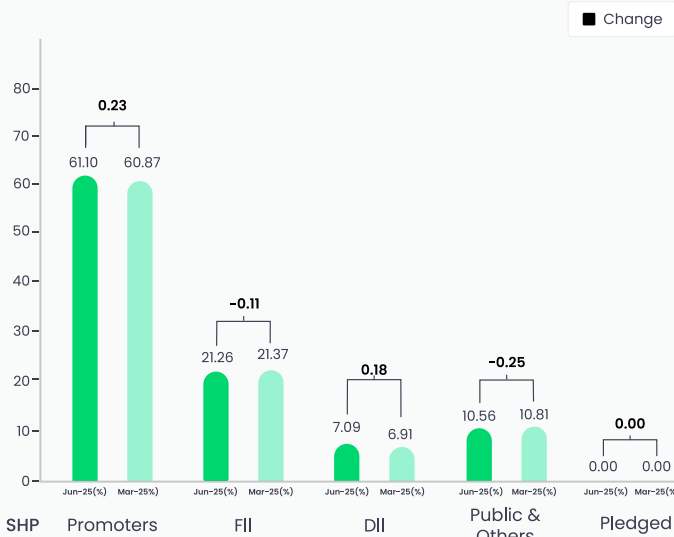
Indexed Price Chart



Market Data

CMP	₹779
Date	19-Sep-25
Target Price	₹929
Upside Potential	19%
52 Week High/Low	819/497
NSE Code	JSL
Market Cap	Mid
Sector	Iron & Steel
Rating	BUY

Shareholding Pattern



Ratios – FY25

ROE	18%
ROCE	17%
Div. Yield	0.39%
PE Ratio (x)	19.1
Face Value	2.00
EPS	30.41

Industry Outlook



Market Growth: Stainless steel outpaces carbon steel, aluminium & copper globally



Key Industries: Construction, Automotive, Infrastructure, Energy



Global Drivers: Urbanization, infrastructure expansion, automotive, LNG, renewables



India Focus: 2nd-largest consumer & 3rd-largest producer; strong growth in railways, transport, manufacturing, green hydrogen, nuclear & defence



Outlook: Rising demand driven by economic growth, infrastructure development & supportive policies

Growth Drivers



Government Push: Increased spending in railways, construction, automotive & process industries



Import Reduction: Target to cut steel imports by 50% by FY26; aim to become a net exporter



FDI Friendly: 100% FDI allowed under automatic route in steel sector

Competitive Advantage



Competitors: JSW Steel Ltd, Tata Steel Ltd, etc.

Performance Edge: Stable revenue growth and superior financial ratios highlight operational efficiency and robust returns on invested capital

Peer Analysis

Company	CMP	Mcap	ROCE	ROE	3Yr Sales CAGR	P/E	EPS
Jindal Stainless	779	64168	18.00%	16.00%	6.00%	25	31.22
JSW Steel	1123	274576	8.00%	5.00%	5.00%	57	19.80
Tata Steel	171	214155	9.00%	4.00%	-4.00%	47	3.64

Outlook



Growth Trajectory: FY26 volume growth target 9–10%; robust capex of ₹2,700–2,800 Cr



Operational Efficiency: EBITDA/tonne projected ₹19,000–21,000; improving product mix



Exports: Expected +25%; expanding global footprint



Product Focus: Cold-rolled & value-added products → 60% of wider coils; pivot towards premiumization



New Ventures: Entry into stainless-steel containers diversifies value-added offerings



BUY Rating with Target Price: ₹929 (28x FY27E EPS)

We also encourage maintaining a stop-loss at 20% from the entry price to manage potential downside risk effectively.

SWOT Analysis



Strengths

- India's largest stainless steel producer; dominant market position
- Supplies critical infrastructure & strategic national projects
- Consistent investments in modernizing manufacturing & process efficiencies



Weaknesses

- High dependence on imported raw materials (nickel, ferrochrome)
- Capital-intensive operations; large-scale capex may impact short-term returns



Opportunities

- Growing adoption in public infrastructure (metros, airports, railways)
- Focus on high-margin, value-added products (cold-rolled & special-grade alloys)
- Expansion into stainless steel containers, hydrogen-compatible alloys, and clean energy sectors



Threats

- Volatility in global raw material prices affecting margins
- Rising imports & potential dumping from countries with excess capacity

Product Portfolio



Stainless Steel Slabs & Blooms – Base material for varied applications



Coils, Plates & Sheets – Versatile industrial and commercial use



Precision Strips & Wire Rods – High-quality specialty products



Rebars & Blade Steel – Construction & engineering essentials



Coin Blanks – Supplying minting and currency needs



Sectors Served: Railways | Automotive | Infrastructure Consumer Durables | Oil & Gas

Note: To read the Disclaimer and Disclosure, [click here](#)

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