

### About the Company

Jindal Steel Limited (JSL), established in 1979 is a part of OP Jindal group and is India's only private rail manufacturer. It is a vertically integrated steel producer and as of Sep'25, its crude steel production capacity stands at 12.6 MTPA, supported by 1,634 MW of captive power generation. The company has manufacturing facilities across Raigarh and Raipur (Chhattisgarh), Angul, Barbil (Odisha), and Patratu (Jharkhand), leveraging backward linkages through captive iron ore and coal mines.

### Investment Rationale

- **Capacity expansion to drive growth:** Jindal steel is on the cusp of expansion at its Angul facility. It has recently (on 26<sup>th</sup> Sep'25) raised its iron making capacity to 15.02 MT from 10.42 MT by commissioning one of India's largest blast furnaces of 4.6 MT (BF-II), almost doubling hot metal capacity at Angul from 6 MTPA to 10.65 MTPA. Synchronizing with the iron making expansion it has commissioned a 3 MTPA of Basic Oxygen Furnace (BOF-II) under phase I, raising crude steelmaking capacity from 6 MTPA to 9 MTPA at Angul, taking total steel making capacity to 12.6 MT from 9.6 MTPA. Phase II expansion at Angul of another 2 MTPA of DRI-II and 3 MTPA of BOF-III is planned to be completed by Mar'27 which will take total steel and iron making capacity of the company to 15.6 MTPA and 17.02 MTPA respectively.
- **Margin expansion projects will enhance cost competitiveness:** Jindal steel is also focusing on backward integration, VAP products and increasing captive power share for its operations. Jindal Steel's iron ore requirements are partly met through its captive mines at Kasia (3.11 MT) and Tensa (7.5 MT) and it recently acquired Roida-I iron ore and manganese block of 3 MTPA capacity. The Iron ore slurry pipeline from Barbil to Angul is 90% completed and is guided to commission in H2FY26. It is also developing its coal mines to fulfil its captive requirement. Among its four mines, two are operational (Utkal C and Gare Palma IV/6), while the other two (Utkal B1 & B2) are in advanced stages of mine development. Utkal B1 coal mining will start in H2FY26. Under its 1.2 mtpa CRM complex it commissioned 0.20 mt of continuous galvanizing line (CGL-1) in Q1FY26 and is progressing towards commissioning of multiple lines in FY26.. The 1<sup>st</sup> module of Sub-critical Boiler Plant (SBPP) of 525 MW is ready and synchronization with grid is expected in Q3FY26 and commissioning of 2<sup>nd</sup> module is in progress.
- **Improved balance sheet:** The company has total capex plan of Rs 47,040 Cr by FY28E (including Angul expansion and Rs 16,000 Cr of cost efficiency projects over FY26-28), of which Rs 30,850 Cr has been incurred by Sep'25 and balance will be funded from internal accruals. It will Keep the Net debt/EBITDA below 1.5x throughout the cycle. It has reduced its debt and its Net Debt/EBITDA has come down from 4.56x in FY20 to 1.48x as of Q2FY26.

### Valuation & Recommendation:

As per our estimates, the stock is currently valued at 7x of FY28 EBITDA, which appears to be attractive. **Accordingly, we recommend a BUY on the stock with a target price of Rs 1,123/share, implying an upside of 10% from the CMP.**

### Financial Summary (Consolidated)

Y/E	Sales	EBITDA	PAT	EPS	P/E	ROE	ROCE	EV/EBITDA
March	(Rs Cr)	(Rs Cr)	(Rs Cr)	(Rs)	(X)	(%)	(%)	(X)
FY25	49,765	9,494	2,817	28	36.7	6.0	10.2	12.8
FY26E	51,410	10,927	4,806	47	21.6	9.3	10.8	11.4
FY27E	66,383	13,837	6,908	68	15.1	11.9	13.1	9.0
FY28E	75,161	17,206	9,046	89	11.5	13.6	15.2	7.1

Source: Axis Securities; CMP as on 30<sup>th</sup> December, 2025

Duration: 3-6 Months

CMP (Rs)	1,021
Target Price (Rs)	1,123
Upside (%)	10%

### | Why Jindal Steel Ltd

- ✓ **At the Cusp of capacity expansion**
- ✓ **Capacity and Product Portfolio Expansion**
- ✓ **Attractive Valuation**

### | Key Risks

- ✓ **Decline in steel prices and Increase in Coking coal and iron ore prices**
- ✓ **Delays in Commissioning or Utilization of New Capacities**

### MARKET DATA

No. of Shares	102 Cr
Market Cap	1,04,304 Cr
52-week High / Low	1,098/724
BSE Code	532286
NSE Code	JINDALSTEL

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## | OBJECTIVE



Axis Punch is designed to generate solid returns in the short to medium term based on High Conviction Stock Ideas for both investors and traders. This fundamental medium-term product targets a return of 10% plus with an investment horizon of 3 to 6 months. Recommendations under Axis Punch are driven by various business and economic events, company valuations, market direction, or a mix of these factors.

## | Axis PUNCH is a strong, research-based idea based on



**Events-Based:** Our recommendations are based on the following critical factors, providing a comprehensive approach to medium-term investment opportunities:

- **Company-Specific Events:** Recommendations consider significant company-specific events such as new orders, product launches, acquisitions, management changes, and the commissioning of new plants.
- **Commodity Price Fluctuations:** We analyse changes in commodity prices, including metals, cement, chemicals, and pharmaceutical materials.
- **Macro-Economic Events:** Key macroeconomic events such as RBI Monetary Policy, US Fed decisions, inflation rates, GDP figures, budget announcements, and changes in government policies are factored into our recommendations.
- **Sector Developments:** Material developments within sectors, including monthly production and sales numbers in industries like Auto, Cement, and Steel, as well as competitive landscape changes due to business actions or new entrants/exits, are considered.
- **Earnings Surprises:** We identify companies expected to report better-than-anticipated earnings in upcoming quarters.
- **Corporate Actions:** Corporate actions such as mergers and acquisitions, capital raising programs, and regulatory announcements that impact a company or its industry form crucial elements for our recommendations.

**Strategic Insights:** Benefit from insights based on a blend of critical business events, economic trends, and thorough company valuations.

**Informed Decisions:** Make well-informed investment decisions backed by the expertise of our dedicated research team.

**Medium-term Horizon:** Enjoy the medium-term investment strategy, perfectly suited for those looking to optimise returns over 3 to 6 months.

## | Why to choose Axis PUNCH



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