Dated: 27 July 2026

Jindal Steel (JINDALST) - BUY

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1040	Rs.1280

Rationale:

- JSP's Q1FY27 adjusted EBITDA came ahead of our estimates on higher volumes.
- Operating leverage and reversal of shutdown-related costs should partly offset weaker prices in Q2FY27E.
- The new management team (MD, CFO and COO) is appropriately prioritizing volume ramp-up and completion of ongoing projects.
- The slurry pipeline project is on track to commission in Q2FY27, while coal dispatches from Utkal B1 have started.
- We estimate 27%/49% volume/EBITDA CAGR over FY2026-29E, with gradual margin uplift on completion of key projects.
- We cut EBITDA estimates factoring in higher costs and revise FV to Rs1,280 (from Rs1,380). Upgrade to BUY (from ADD).

Positives:

- Q1FY27: Strong volumes drive outperformance.
- Volume ramp-up and margin expansion—key focus areas for new management.
- Jindal Steel has planned capacity expansion across verticals.
- JSP's net debt decreased by ~Rs100 cr qoq in Q1FY27.
- We build in healthy volume growth over FY2026-29E, as capacity comes online.

Negatives:

- Margins to be under pressure in Q2FY27E.

(CAGR - Compound Annual Growth Rate, EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, EPS- Earning Per Share,)

Holding Period: 12 months

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RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY – We expect the stock to deliver more than 15% returns over the next 12 months

ADD – We expect the stock to deliver 5% - 15% returns over the next 12 months

REDUCE – We expect the stock to deliver -5% - +5% returns over the next 12 months

SELL – We expect the stock to deliver < -5% returns over the next 12 months

NR – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.

SUBSCRIBE – We advise investor to subscribe to the IPO.

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NA – **Not Available or Not Applicable.** The information is not available for display or is not applicable

NM – **Not Meaningful.** The information is not meaningful and is therefore excluded.

NOTE – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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