

CMP: INR 241

Rating: BUY

Target Price: INR 347

Stock Info

BSE	500378
NSE	Jindalsaw
Bloomberg	JSAW:IN
Reuters	JIND.NS
Sector	Iron & Steel Products
Face Value (INR)	1
Mkt Cap (INR Bn)	153.94
52w H/L (INR)	268/153
Avg yearly Vol (in 000')	4,586

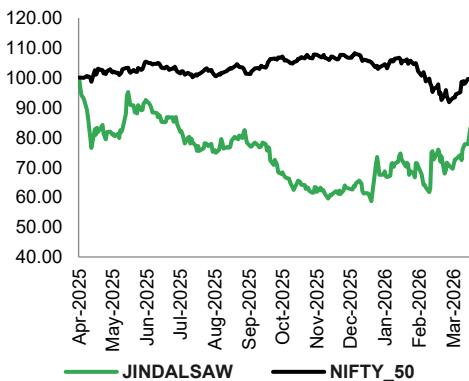
Shareholding Pattern %

(As on Mar, 2026)

Promoters	63.25%
Public & Others	36.75%

Stock Performance (%)	1m	6m	12m
Jindalsaw	+57.6	+60.7	-22.9
Nifty 50	+7.5	-7.5	-1.4

Jindalsaw Vs Nifty 50



Abhishek Jain
abhishek.jain@arihantcapital.com
022 67114851

Ronak Ostwal
Ronak.Ostwal@arihantcapital.com

Jindal SAW reported a mixed consolidated performance in Q4FY26. Revenue stood at INR 46.3 billion, registering a decline of 6.3% QoQ and 8.2% YoY, although it was 3.8% above our estimates. Gross margins improved to 43%, compared to 41.1% QoQ and 41.5% YoY, and were slightly above our estimate of 42%. EBITDA came in at INR 4.81 billion, declining 21.5% QoQ and 34.7% YoY, and was 9.3% below our estimates. EBITDA margins contracted to 10.4% (vs. 12.4% in Q3FY26 and 14.6% in Q4FY25), but still came in ahead of our estimate of 9.9%. PAT was reported at INR 1,236.8 million, declining 50.1% QoQ but increasing 42.3% YoY, and exceeded our estimates by 14.2%. PAT margins stood at 2.7% (vs. 5.0% QoQ and 1.7% YoY), also above our estimate of 2.4%.

Deferred Demand & Strong Order Book Visibility: Near-term weakness is largely driven by shipment deferrals rather than demand destruction, with ~30–40kt volumes expected to shift into FY27. The company remains well booked across segments, indicating strong underlying demand. Recovery in MENA logistics and domestic execution can drive a sharp rebound in volumes and operating leverage.

Structural Growth from Energy & Water Infrastructure: Medium-term demand outlook remains robust, supported by rising investments in global energy security (oil & gas pipelines) and domestic water infrastructure (JJM revival). The ongoing MENA disruption is expected to accelerate pipeline replacement and new project activity, creating a structural growth tailwind for Jindal Saw Ltd.

Product Mix Upgrade & Value-Added Focus: Management is focusing on moving up the value chain, particularly in stainless steel and seamless pipes through approvals and high-spec offerings. This shift towards premium segments can help offset competitive intensity and drive better margins over the medium term. A richer product mix remains a key earnings lever.

Outlook: Company's near-term performance is expected to remain volatile, impacted by export disruptions and weak domestic execution; however, these are largely timing-related headwinds. As shipments normalize and JJM-led demand picks up, volumes and utilization should recover, supporting margin expansion. Medium-term growth visibility remains strong, driven by energy infrastructure investments and a richer product mix. **We maintain our BUY rating and revise our target price to INR 347 derived from DCF model.**

Valuation Summary:						
Year-end March (INR Mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Sales	1,78,678	2,09,577	2,08,289	1,78,952	1,93,454	2,16,525
EBITDA	16,653	33,210	34,293	22,147	29,217	36,636
PAT	4,428	15,929	14,580	9,253	13,276	18,958
EPS (INR)	9.9	26.2	27.2	15.2	20.8	29.6
EBITDA Margin (%)	9.32%	15.85%	16.46%	12.38%	15.10%	16.92%
EV/EBITDA	9.0	4.6	4.2	6.2	4.4	3.3
P/E (x)	16.6	6.3	6.0	10.8	7.9	5.5

Jindal Saw Q4FY26 Concall Highlights

- Q4FY26 performance was below expectations with sequential decline across revenue, EBITDA and profitability, driven by export disruption and weak domestic DI demand.
- FY26 performance remained weak YoY, with consolidated revenue down ~14% and EBITDA declining ~35%, reflecting cyclical slowdown and external headwinds.
- Export shipments to MENA region were suspended from March'26 due to geopolitical conflict, significantly impacting volumes and high-margin export mix.
- ~30–40kt of finished goods shipment was deferred (not lost), indicating revenue spillover into FY27 upon normalization of logistics.
- Export disruption had a disproportionate impact on profitability given superior margins in international business versus domestic segments.
- Freight and logistics disruptions (vessel unavailability, high insurance) remain key constraints, limiting execution despite strong order book.
- Order book remains robust with facilities largely booked; current bottleneck is execution/logistics rather than demand.
- Domestic ductile iron (DI) pipe segment remains weak due to slow Jal Jeevan Mission execution, though underlying demand remains intact.
- Industry faces overcapacity in DI pipes due to prior capacity additions linked to JJM expectations, weighing on utilization and margins.
- Execution in domestic water segment is currently shifting toward state-funded projects, partially offsetting delays in central JJM orders.
- JJM execution is expected to gradually improve with better fund flow and monitoring, though meaningful pickup may take 1–2 quarters.
- Abu Dhabi operations are running at reduced utilization, with sales limited to trucking-distance markets due to regional disruption.
- Abu Dhabi subsidiary holds ~\$180 Mn order book (~9 months visibility), providing medium-term revenue support.
- Forex volatility impacted earnings with ~INR 480 Mn loss due to INR depreciation, highlighting sensitivity to currency movements.
- API certification issue in seamless pipes may temporarily impact volumes; company is mitigating via alternate product mix.
- Seamless pipe segment demand (~1.5mt domestically) remains stable, with margin improvement expected driven by energy sector investments.
- Stainless steel pipe segment likely to face margin pressure due to rising competition; strategy is to move towards high-spec, value-added products.
- Raw material volatility (steel) has limited impact due to back-to-back procurement strategy, reducing inventory risk.
- Cost inflation risks (fuel, logistics) persist, with only partial pass-through possible, especially in fixed-price contracts.
- Capacity utilization remains a key margin driver; underutilization (especially DI pipes) continues to weigh on profitability.
- EBITDA margin outlook remains uncertain; management refrains from calling a bottom given multiple uncontrollable variables.
- MENA crisis, while negative near term, is structurally positive over medium term, expected to drive investments in energy pipelines and infrastructure.
- Company is strategically expanding in UAE and Saudi Arabia to capitalize on long-term demand and de-risk geographic exposure.
- Saudi JV (51% stake) helps limit balance sheet stress while maintaining strategic presence in a key growth region.

- Capex guidance remains moderate at ~INR 5-6 Bn for FY27, focused on debottlenecking and ongoing overseas projects.
- Balance sheet remains comfortable with reduced net debt and strong liquidity, providing cushion during volatile operating conditions.
- Net debt is largely working capital driven, with low long-term leverage, indicating financial flexibility for future expansion.
- Strong lender appetite for funding international projects supports execution of expansion plans without significant balance sheet strain.
- Management highlighted ability to shift production mix (export/domestic, API/non-API) to mitigate segment-specific risks.
- Near-term outlook remains uncertain with Q1FY27 also expected to be impacted; recovery hinges on MENA normalization and JJM execution pickup.
- Overall environment remains highly volatile and unpredictable, with macro, geopolitical and cost variables driving earnings visibility.

Outlook: Near-term outlook remains subdued with Q1FY27 likely to stay impacted by MENA-related export disruptions and slow execution in the domestic water segment. Recovery visibility hinges on normalization of logistics in the Middle East and pickup in Jal Jeevan Mission-driven demand over the next 1-2 quarters. Medium-term prospects remain intact, supported by a strong order book, expected recovery in exports, and structural pipeline demand from energy security investments. Balance sheet strength and ongoing global expansion position Jindal Saw Ltd well to capture the eventual upcycle. **We maintain our BUY rating and revise our target to INR 347.**

Exhibit: Income Statement (Consol)**Income statement (INR Mn)**

Year End-March	FY23	FY24	FY25	FY26	FY27E	FY28E
Gross Sales	1,78,678	2,09,577	2,08,289	1,78,952	1,93,454	2,16,525
Net Sales	1,78,678	2,09,577	2,08,289	1,78,952	1,93,454	2,16,525
YoY (%)	34.36%	17.29%	-0.61%	-14.08%	8.10%	11.93%
Adjusted COGS	1,11,923	1,21,512	1,18,451	1,00,528	1,08,221	1,20,478
YoY (%)	41.63%	8.57%	-2.52%	-15.13%	7.65%	11.33%
Personnel/ Employee benefit expenses	11,792	14,924	15,270	16,297	16,426	17,692
YoY (%)	16.19%	26.57%	2.32%	6.72%	0.79%	7.71%
<i>Manufacturing & Other Expenses</i>	<i>38,310</i>	<i>39,931</i>	<i>40,275</i>	<i>39,979</i>	<i>39,589</i>	<i>41,719</i>
YoY (%)	28.59%	4.23%	0.86%	-0.74%	-0.97%	5.38%
Total Expenditure	1,62,025	1,76,367	1,73,996	1,56,804	1,64,236	1,79,889
YoY (%)	18.78%	99.42%	3.26%	-35.42%	31.92%	25.39%
EBITDA	16,653	33,210	34,293	22,147	29,217	36,636
YoY (%)	18.78%	99.42%	3.26%	-35.42%	31.92%	25.39%
EBITDA Margin (%)	9.32%	15.85%	16.46%	12.38%	15.10%	16.92%
Depreciation	4,708	5,680	6,021	6,305	7,043	7,277
% of Gross Block	4.52%	4.62%	4.56%	4.53%	4.80%	4.68%
EBIT	11,945	27,530	28,272	15,843	22,174	29,359
EBIT Margin (%)	6.69%	13.14%	13.57%	8.85%	11.46%	13.56%
Interest Expenses	6,376	7,047	6,235	6,196	5,464	5,191
Non-operating/ Other income	1,786	1,682	1,190	917	991	1,109
PBT	7,100	22,157	23,490	10,757	17,701	25,277
Tax-Total	2,672	6,228	8,909	1,504	4,425	6,319
Adj. Net Profit	4,428	15,929	14,580	9,253	13,276	18,958
Reported Profit	4,428	15,929	14,580	9,253	13,276	18,958
PAT Margin	2.48%	7.60%	7.00%	5.17%	6.86%	8.76%
Shares o/s/ paid up equity sh capital	639.52	639.52	639.52	639.52	639.52	639.52
Adj EPS	9.89	26.20	27.18	15.22	20.76	29.64
Dividend payment	630.97	1,000.97	1,273.40	1,279.04	1,279.04	1,279.04
Dividend payout (%)	14.25%	6.28%	8.73%	13.82%	9.63%	6.75%
Retained earnings	3,796.63	14,927.63	13,307.00	7,974.26	11,997.07	17,679.07

Exhibit: Balance Sheet (Consol)

Year-end March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Sources of Funds						
Equity Share Capital	640	640	640	640	640	640
Reserves & Surplus/ Other Equity	72,150	93,032	1,08,901	1,16,876	1,28,873	1,46,552
Networth	72,789	93,671	1,09,541	1,17,515	1,29,512	1,47,191
Unsecured Loans/ Borrowings/ Lease Liabilities						
	49,612	57,612	48,592	44,951	43,056	41,290
Other Liabilities	4,429	2,895	3,282	3,485	3,708	3,953
Total Liabilities	1,82,398	2,10,216	2,07,790	2,12,582	2,24,495	2,44,404
Total Funds Employed						
	3,34,853	3,87,143	3,87,164	3,97,336	4,21,690	4,61,978
Application of Funds						
Net Fixed Assets	74,841	88,529	93,412	96,037	98,803	1,02,661
Capital WIP	2,999	6,322	6,409	6,409	6,409	6,409
Investments/ Notes/ Fair value measurement	1,746	1,637	1,276	1,399	1,538	1,693
Current assets	89,034	1,03,038	1,01,054	1,02,733	1,11,404	1,26,935
Inventory	41,048	48,953	49,205	47,450	47,443	50,787
Days	128	135	151	166	166	159
Debtors	35,629	34,695	35,638	35,714	37,203	40,854
Days	55	61	62	73	70	69
Other Current Assets	7,270	8,339	6,449	7,093	7,803	8,583
Cash and Cash equivalent	776	7,411	6,554	8,681	14,018	20,413
Current Liabilities/Provisions	79,666	83,256	69,833	67,239	67,684	70,383
Creditors / Trade Payables	30,042	29,531	25,222	24,724	24,944	27,145
Days	50	59	57	57	57	57
Liabilities	18,948	17,733	12,603	13,493	15,017	16,738
Net Current Assets	9,368	19,782	31,221	35,494	43,721	56,552
Total Asset	1,82,398	2,10,216	2,07,790	2,12,582	2,24,495	2,44,404
Total Capital Employed	1,73,030	1,90,434	1,76,569	1,77,087	1,80,774	1,87,851

Exhibit: Cash Flow (Consol)**Cash Flow Statement (INR Mn)**

Year End-March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profit before tax	4,428	15,929	14,580	9,253	13,276	18,958
Adjustments: Add						
Depreciation and amortisation	4,708	5,680	6,021	6,305	7,043	7,277
Interest adjustment	4,590	5,365	5,045	5,279	4,473	4,081
Change in assets and liabilities	14,357	27,974	26,919	22,116	26,071	31,596
Inventories	-3,493	-7,905	-252	1,755	1,077	-3,344
Trade receivables	-17,571	934	-943	-76	-1,488	-3,651
Trade payables	14,640	-510	-4,309	-498	219	2,202
Other Liabilities and provisions	-6,912	3,300	-8,942	-1,972	365	654
Other Assets	4	3,052	4,666	-890	-939	-1,032
Taxes	1,528	29	-103	-111	-66	-73
Net cash from operating activities	3,215	29,568	17,170	20,292	24,134	26,316
Net Sale/(Purchase) of tangible and intangible assets, Capital work in progress	-6,049	-22,691	-10,991	-8,930	-9,808	-11,136
Net Sale/(Purchase) of investments	1,840	1,694	1,209	919	990	1,107
Others	2,127	-315	2,519	-86	-90	-95
Net cash (used) in investing activities	-2,055	-21,453	-7,485	-8,097	-8,909	-10,123
Interest expense	-6,261	-6,123	-8,251	-7,141	-6,398	-6,121
Dividend paid	631	631	1,273	1,279	1,279	1,279
Other financing activities	1,140	5,796	-1,404	-1,279	-1,279	-1,279
Net cash (used) in financing activities	-5,753	-1,301	-10,928	-9,696	-8,953	-8,676
Closing Balance	2,132	8,946	7,703	10,203	16,475	23,991
FCF	-2,686	10,092	6,598	11,731	14,776	15,722
Capex (% of sales)	5,902	19,476	10,572	8,948	9,673	10,826

Exhibit: Ratios (Consol)

Key Ratios						
Year-end March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Solvency Ratios						
Debt / Equity	0.66	0.60	0.42	0.36	0.31	0.26
Net Debt / Equity	0.63	0.50	0.35	0.28	0.19	0.10
Debt / EBITDA	2.87	1.68	1.35	1.92	1.39	1.05
Current Ratio	2.74	1.41	1.13	1.46	0.82	0.39
DuPont Analysis						
Sales/Assets	0.98	1.00	1.00	0.84	0.86	0.89
Assets/Equity	2.51	2.24	1.90	1.81	1.73	1.66
RoE	6.08%	17.00%	13.31%	7.87%	10.25%	12.88%
Per share ratios						
Reported EPS	9.89	26.20	27.18	15.22	20.76	29.64
Dividend per share	0.99	1.57	1.99	2.00	2.00	2.00
BV per share	113.82	146.47	171.29	183.76	202.51	230.16
Cash per Share	1.21	11.59	10.25	13.57	21.92	31.92
Revenue per Share	279.39	327.71	325.70	279.82	302.50	338.57
Profitability ratios						
Net Profit Margin (PAT/Net sales)	2.83%	2.48%	7.60%	7.00%	5.17%	6.86%
Gross Profit / Net Sales	37.36%	42.02%	43.13%	43.82%	44.06%	44.36%
EBITDA / Net Sales	9.32%	15.85%	16.46%	12.38%	15.10%	16.92%
EBIT / Net Sales	6.69%	13.14%	13.57%	8.85%	11.46%	13.56%
ROCE (%)	11.63%	21.68%	20.49%	10.90%	14.14%	16.87%
Activity ratios						
Inventory Days	128.17	135.17	151.23	165.91	165.91	158.70
Debtor Days	54.84	61.24	61.63	73.00	70.19	68.87
Creditor Days	50.11	59.00	57.35	57.03	57.03	57.03
Leverage ratios						
Interest coverage	1.87	3.91	4.53	2.56	4.06	5.66
Debt / Asset	0.26	0.27	0.22	0.20	0.18	0.16
Valuation ratios						
EV / EBITDA	9.04	4.57	4.19	6.20	4.41	3.26
PE (x)	16.58	6.26	6.03	10.78	7.90	5.53

Arihant Research DeskEmail: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800	6 Lad Colony, Y.N. Road, Indore - 452003, (M.P.) Tel: (91-731) 4217100/101 CIN: L66120MP1992PLC007182

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Disclaimer: This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice. ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE. ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800