

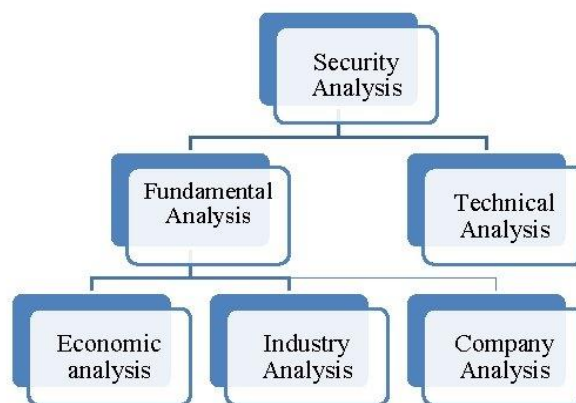
J component Project:

ATUL PATEL-20MIA1134

GAURAV SHARAN-20MIA1081

Subject: Security Analysis of (JSW)

Approach to Security Analysis



EIC Analysis

Economic Analysis:

1. Global Economic Environment

Current State

In 2024, the world economy is growing at a **moderate pace**, recovering from the COVID-19 pandemic and enjoying some geopolitical stability. The IMF predicts global growth at around **3.0%, slightly less than previous years** due to slowdowns in major economies like the US and China.

Trade issues and **supply chain problems**, especially in tech and manufacturing, are still **challenges**. However, advances in digital technology and green energy are opening up new opportunities.

Key Influences

- **Commodity Prices:** Steel demand is affected **by fluctuating raw material** prices due to political tensions and supply changes.
- **Interest Rates:** Major central banks are keeping interest rates **high to fight inflation**, making borrowing money more expensive.
- **Environmental Regulations:** There's a **strong push to cut carbon emissions**, impacting industries like steel. Companies are investing in cleaner technologies to meet stricter rules.

2. Current Indian Economy

GDP Growth

India's economy is expected to **grow by 6.1% in 2024**, driven by strong domestic demand, industrial performance, and a rebound in services. Government initiatives like "Make in India" support this growth.

Foreign Direct Investment (FDI)

India is attracting a lot of foreign investment, with **about \$60 billion in 2023**, especially in manufacturing, tech, and renewable energy. Reforms and friendly policies are making India an appealing investment destination.

Corporate Investments

Companies are **investing** more in infrastructure, **renewable energy**, and **technology**. They are focusing on **automation, digitalization**, and expanding their capacities to meet growing demand.

Inflation

Inflation in India is easing, with an average of around 5% expected in 2024. Food prices are a key factor, but government efforts to stabilize prices are helping.

Interest Rates

The Reserve Bank of India is keeping interest rates around 6.5%, balancing the need to control inflation with supporting economic growth.

Exchange Rate

The Indian Rupee is stable against the US Dollar, trading between 82-85 INR/USD, supported by RBI interventions and stable foreign exchange reserves.

Key Challenges

- **Supply Chain Disruptions:** Global **supply chain issues**, especially in semiconductors and raw materials, impact manufacturing and industrial output.
- **Climate Change:** Growing climate **risks require significant investment** in sustainable and resilient infrastructure.
- **Geopolitical Tensions:** Political uncertainties with key trading partners pose risks to trade and investment flows.

Industry analysis:-

- 1. Your company's Industry

JSW Group is a significant player in the **steel, energy, infrastructure, and cement industries**. The **steel sector, a cornerstone** around 44% of JSW's portfolio, holds critical importance globally, supporting construction, automotive, appliances, and machinery manufacturing. This capital-intensive industry operates in a fiercely competitive environment with major global players.

Steel is indispensable across sectors due to its versatility and durability. It underpins **infrastructure projects, automotive 3.5 CAGR** manufacturing for lightweight yet strong components, and appliances and machinery for cost-efficiency and resilience.

JSW Group's strategic positioning allows it to leverage economies of scale and technological advancements to maintain competitiveness. Securing the coking coal resource base - development investments to open up new deposits and new mining levels. **Share of coking coal production above 90% from 2026**. The company's diversified portfolio mitigates market risks, while its focus on sustainability and innovation aligns with global demands and regulatory standards.

2. Company Growth, Profit, and Revenue

JSW Group has shown impressive financial performance in recent years:

- **Revenue:** JSW Group's total revenue for the fiscal year 2023 was approximately INR 103,263 crore (around \$13.5 billion USD).
- **Profitability:** The company reported a net profit of around INR 9,000 crore (approximately \$1.18 billion USD) for the same period, reflecting its efficient operations and strategic investments.
- **Growth:** JSW Group has been expanding its market presence through strategic investments in capacity expansion, modernization of facilities, and acquisitions. These efforts have strengthened its position in the global market and diversified its revenue streams across sectors.

3. Business life cycle of the industry

- **Introduction Stage**

JSW Group initially entered multiple industries with **strategic investments** and acquisitions to establish a strong market presence. Innovations in production technologies and initial expansions laid the foundation for future growth across **steel, energy, infrastructure, and cement sectors.**

- **Growth Stage**

During the growth phase, JSW Group expanded its production capacities and diversified its portfolio through acquisitions and investments:

- **Steel Segment:** Expanded production capacity to meet rising demands in construction, automotive, and industrial sectors.
- **Energy Segment:** Invested in renewable energy sources like wind and solar power, alongside conventional energy generation.
- **Infrastructure Segment:** Made significant investments in infrastructure projects to capitalize on India's growing development needs.
- **Cement Segment:** Expanded cement production capacities to support infrastructure and construction demands.

- **Maturity Stage**

Currently, JSW Group's segments are in the maturity stage:

- **Steel Segment:** Focuses on optimizing production efficiency, reducing costs, and adopting sustainable practices like greener steel production methods.
- **Energy Segment:** Enhances operational efficiencies, expands renewable energy capacities, and integrates advanced technologies for energy storage and grid management.
- **Infrastructure Segment:** Concentrates on project execution, quality management, and regulatory compliance to sustain market leadership.
- **Cement Segment:** Optimizes production processes, improves product quality, and explores innovative construction materials and technologies.

- **Decline Stage**

While **no segment has entered a decline stage**, challenges such as regulatory changes, market fluctuations, and technological disruptions are managed proactively:

- JSW Group mitigates risks by diversifying its portfolio, investing in innovation, and adhering to sustainability standards across all segments.
- Strategic initiatives in each sector ensure JSW Group maintains competitiveness and sustains long-term growth amidst evolving market dynamics.

4. SWOT ANALYSIS OF JSW



5. BCG MATRIX

	High Market Growth	Low Market Growth
High Market Share	Stars JSW Steel (India)	Cash Cows JSW Cement
Low Market Share	Question Marks JSW Energy (Renewables)	Dogs JSW Infrastructure

- **Stars (High Market Growth, High Market Share):**

- **JSW Steel (India):** With a significant market share and operating in a high-growth market, JSW Steel is a star in the Indian steel industry.

- **Cash Cows (Low Market Growth, High Market Share):**

- **JSW Cement:** JSW Cement holds a considerable market share but operates in a mature market with slower growth rates.

- **Question Marks (High Market Growth, Low Market Share):**

- **JSW Energy (Renewables):** This segment is in a high-growth market but currently has a lower market share compared to its competitors. It has the potential to become a Star or may turn into a Dog depending on its performance and market conditions.

- **Dogs (Low Market Growth, Low Market Share):**

- **JSW Infrastructure:** This segment has both low market growth and a low market share, which may not be a strategic focus for JSW Group.

Company Analysis:-

I- Qualitative analysis:

1. History of JSW Group

JSW Group, part of the **O.P. Jindal Group**, was founded in 1982 by Om Prakash Jindal. Headquartered in Mumbai, India, JSW Group has grown into a leading conglomerate with interests in steel, energy, infrastructure, cement, and paints. Over the decades, the company has expanded its operations both domestically and internationally, establishing itself as a major player in various industries.

2. Organogram

JSW Group's organizational structure is hierarchical, with a clear chain of command:

- **Chairman:** Sajjan Jindal
- **Managing Directors and CEOs:** Oversee different divisions such as JSW Steel, JSW Energy, JSW Infrastructure, and JSW Cement.
- **Board of Directors:** Includes executive and non-executive members who provide strategic direction.
- **Senior Management:** Comprises Vice Presidents, General Managers, and other senior executives responsible for key functional areas like operations, finance, marketing, HR, and R&D.

3. Managerial Efficiency

JSW Group's management is recognized for its effectiveness and strategic vision, led by Sajjan Jindal. Key aspects of their managerial efficiency include:

- **Strategic Acquisitions:** JSW has expanded its capabilities and market reach through strategic acquisitions, such as the **acquisition of Ispat Industries**.
- **Innovation and Technology:** The company invests heavily in cutting-edge technology to enhance productivity and efficiency.
- **Sustainability Initiatives:** JSW is committed to environmental sustainability, with significant investments in renewable energy and efforts **to reduce its carbon footprint**. For example, the company is working towards the goals set at **the COP28 conference, such as tripling renewable energy capacity** and improving energy efficiency.

4. Growth Potentiality of the Company

JSW Group's growth potential is significant due to several factors:

- **Diversified Portfolio:** The company's involvement in multiple sectors reduces risk and ensures multiple revenue streams.

- **Expansion Plans:** JSW is continually expanding its operations, particularly in steel and cement, and investing in **renewable energy projects in line with global trends observed at COP28.**
- **Market Position:** With a strong presence in the Indian steel industry and growing international operations, they come in **TOP 3** Indian steel industry in india JSW is well-positioned for future growth.
- **Supportive Economic and Policy Environment:** India's commitment to renewable energy and sustainable development, as demonstrated by its achievements and targets discussed at COP28, aligns with JSW's business strategies, providing a favorable environment for the company's growth

II- Quantitative analysis: -

1. **Market Value and Stock Performance** JSW Steel is a major company in the steel industry with a market value of around \$27.84 billion. Its current stock price is \$11.43(954RS), which has gone up by 1.03% recently and by an **impressive 17.58% over the past year.** This rise shows that investors trust the company and that it's doing well in the market
2. **Revenue and Profit** JSW Steel has been making a lot of money. In 2023, it made \$20.97 billion, which is **2.12% more than in 2022.** There was a big jump in 2021 when the revenue increased by 80.04% compared to 2020. This jump was **due to higher demand for steel, higher steel prices, and the company expanding and improving its operations.**
3. **Debt and Financing** As of March 2024, **JSW Steel owes \$10.55 billion.** This debt has been increasing as the company invests in expansion and modernization. In 2023, the debt was \$9.84 billion, up by 3.39% from 2022. **Despite the rising debt, JSW Steel is handling it well, making sure it doesn't outweigh their growth in revenue and profits**

Historical Debt Trends:


- **2023:** \$9.84 billion (3.39% increase)
- **2022:** \$9.52 billion (4.86% increase)
- **2021:** \$9.08 billion (11.53% increase)
- **2020:** \$8.14 billion (19.34% increase)
- **2019:** \$6.82 billion (13.37% increase)

These numbers show that JSW Steel has been using debt smartly to grow its business, helping it expand production and strengthen its market position

Stock Performance

Over the last year, JSW Steel's stock price has risen by 17.58%. This rise reflects the company's strong performance, strategic market positioning, and positive outlook for the steel industry. The stable stock price, even during market ups and downs, shows that investors are confident in JSW Steel's long-term growth prospects

III- Net Profit, Total Revenue, quarterly profit



.2447%) ↓ | S&P BSE 200 11296.24 +34.36 (0.31%) ↑ | S&P BSE 500 36315.81 +120.09 (0.33%) ↑ | S&P

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[JSW Steel](#) Ltd on Friday reported an 179% year-on-year rise in its consolidated net profit (attributable to owners of the company) for the fiscal's first quarter ended June (Q1FY24) to ₹2,338 crore. The company had reported a profit of ₹838 crore in the year-ago period. Sequentially, consolidated net profit was down 36% from ₹3,664 crore in Q4FY23. JSW Steel shares opened at ₹795.05 apiece on [BSE](#). The stock touched a new 52-week high on Friday's session.

The company's consolidated total revenue from operations rose 10.8% on year to ₹42,213 crores during the quarter ended June from ₹38,086 crore in Q1FY23. Total income rose to ₹42,544 crore in the first quarter. It stood at ₹38,275 crore in the year-ago period.

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Quarterly Results

Consolidated Figures in Rs. Crores / [View Standalone](#)

PRODUCT SEGMENTS

	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec 2023	Mar 2024
Sales +	26,934	28,902	32,503	38,071	46,895	38,086	41,778	39,134	46,962	42,213	44,584	41,940	46,269
Expenses +	18,494	18,628	22,086	28,939	37,742	33,794	40,082	34,643	39,031	35,201	36,722	34,776	40,243
Operating Profit	8,440	10,274	10,417	9,132	9,153	4,292	1,696	4,491	7,931	7,012	7,862	7,164	6,026
OPM %	31%	36%	32%	24%	20%	11%	4%	11%	17%	17%	18%	17%	13%
Other Income +	90	521	1,549	176	-508	189	779	188	465	331	826	194	242
Interest	1,005	993	936	1,283	1,756	1,422	1,523	1,819	2,138	1,963	2,084	1,996	2,062
Depreciation	1,253	1,183	1,239	1,764	1,815	1,778	1,805	1,882	2,009	1,900	2,019	2,059	2,194
Profit before tax	6,272	8,619	9,791	6,261	5,074	1,281	-853	978	4,249	3,480	4,585	3,303	2,012
Tax %	33%	32%	27%	28%	34%	34%	-7%	52%	12%	30%	40%	26%	34%
Net Profit +	4,191	5,900	7,179	4,516	3,343	839	-915	474	3,741	2,428	2,773	2,450	1,322
EPS in Rs	17.37	24.42	29.66	18.02	13.38	3.47	-3.51	2.03	15.16	9.67	11.29	9.88	5.31
Raw PDF													

Upcoming result date: 19 July 2024

Q1 FY24:

1. Net Profit

Q1 FY24: ₹2,338 crore

- Year-over-Year (YoY) Growth: The net profit increased by 179% from ₹838 crore in Q1 FY23 ([Live Mint](#)).
- Reason for Increase: The significant increase in **net profit can be attributed to higher steel prices, improved operational efficiencies, and increased steel production and sales volumes**. Additionally, cost control measures and better capacity utilization contributed to this growth ([JSW Steel](#)) ([Live Mint](#)).

2. Total Revenue

Q1 FY24: ₹42,213 crore

- Performance Observation: This revenue **figure highlights strong operational performance, driven by robust demand for steel and increased production capacity**. The company's strategic expansions and enhancements in production capabilities also played a crucial role

- Production and Sales: Crude steel production for the quarter was 6.43 million tonnes, up 11% YoY, while steel sales totaled 5.71 million tonnes, up 27% YoY. This indicates a substantial increase in output and market penetration

3. Quarterly Profit

- Sequential Growth: Despite a **slight decline in sequential production due to scheduled shutdowns**, the quarterly **profit showed a significant improvement from the previous quarter**. This was primarily due to a combination of higher sales volumes and better pricing strategies
- Operational Challenges: The company faced some operational challenges, such as a **decrease in capacity utilization** from 96% in Q4 FY23 to 92% in Q1 FY24. This was mainly due to scheduled shutdowns for maintenance at its Indian facilities. However, these were well-managed, and the overall production growth remained positive
- Capital Expenditure: During Q1 FY24, **JSW Steel spent ₹4,094 crore on capital expenditures, indicating ongoing investments in expanding** and modernizing its production facilities. This aligns with the company's strategy to enhance its production capabilities and meet growing demand

Summary

JSW Steel's impressive financial performance in Q1 FY24, with a **substantial increase in net profit and total revenue, reflects its robust operational strategies, efficient management, and strategic investments in capacity expansion**. Despite facing some operational challenges, the company has managed to achieve significant growth in production and sales volumes, reinforcing its position as a leading player in the steel industry. The continued focus on expanding production capabilities and improving operational efficiencies is likely to sustain this growth trajectory in the coming quarters.

IV- Major Ratio analysis

This data can be easily copy pasted into a Microsoft Excel sheet

PRINT

JSW Steel Previous Years ↕

Standalone Balance Sheet

	----- In Rs. Cr. -----				
	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	305.00	301.00	301.00	302.00	301.00
Total Share Capital	305.00	301.00	301.00	302.00	301.00
Reserves and Surplus	74,978.00	63,358.00	63,200.00	46,675.00	38,061.00
Total Reserves and Surplus	74,978.00	63,358.00	63,200.00	46,675.00	38,061.00
Total Shareholders Funds	75,283.00	63,659.00	63,501.00	46,977.00	38,362.00
NON-CURRENT LIABILITIES					
Long Term Borrowings	47,241.00	48,346.00	41,176.00	39,551.00	39,247.00
Deferred Tax Liabilities [Net]	9,320.00	7,460.00	6,935.00	3,095.00	1,315.00
Other Long Term Liabilities	2,852.00	2,791.00	3,832.00	5,816.00	7,202.00
Long Term Provisions	1,288.00	1,250.00	1,292.00	753.00	322.00
Total Non-Current Liabilities	60,701.00	59,847.00	53,235.00	49,215.00	48,086.00
CURRENT LIABILITIES					
Short Term Borrowings	11,582.00	6,825.00	9,259.00	1,285.00	6,813.00
Trade Payables	27,202.00	30,705.00	24,328.00	12,150.00	13,354.00
Other Current Liabilities	10,294.00	11,570.00	12,320.00	23,362.00	15,363.00
Short Term Provisions	376.00	235.00	227.00	243.00	64.00
Total Current Liabilities	49,454.00	49,335.00	46,134.00	37,040.00	35,594.00
Total Capital And Liabilities	185,438.00	172,841.00	162,870.00	133,232.00	122,042.00
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	87,656.00	73,255.00	69,767.00	50,328.00	50,219.00
Intangible Assets	0.00	1,801.00	1,879.00	1,614.00	323.00
Capital Work-In-Progress	0.00	10,271.00	12,459.00	28,914.00	23,810.00
Intangible Assets Under Development	0.00	235.00	140.00	128.00	331.00
Fixed Assets	87,656.00	85,562.00	84,245.00	80,984.00	74,683.00
Non-Current Investments	30,141.00	24,320.00	18,028.00	12,458.00	5,999.00
Long Term Loans And Advances	11,501.00	5,346.00	5,763.00	5,382.00	8,705.00
Other Non-Current Assets	13,046.00	8,469.00	7,349.00	4,705.00	3,280.00
Total Non-Current Assets	142,344.00	123,697.00	115,385.00	103,529.00	92,667.00
CURRENT ASSETS					
Inventories	23,234.00	19,517.00	21,028.00	10,692.00	9,623.00
Trade Receivables	6,498.00	6,000.00	6,146.00	3,333.00	3,166.00
Cash And Cash Equivalents	8,129.00	18,716.00	15,527.00	11,746.00	11,401.00
Short Term Loans And Advances	4.00	93.00	265.00	733.00	321.00
OtherCurrentAssets	5,229.00	4,818.00	4,519.00	3,199.00	4,864.00
Total Current Assets	43,094.00	49,144.00	47,485.00	29,703.00	29,375.00
Total Assets	185,438.00	172,841.00	162,870.00	133,232.00	122,042.00
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					

7/6/24, 2:22 AM JSW Steel | Standalone Balance Sheet > Steel - Large > Standalone Balance Sheet of JSW Steel - BSE: 500228, NSE: JSWST...

Contingent Liabilities	0.00	31,652.00	31,640.00	51,081.00	37,064.00
CIF VALUE OF IMPORTS					
Raw Materials	0.00	45,849.00	30,208.00	12,975.00	15,444.00
Stores, Spares And Loose Tools	0.00	1,296.00	967.00	564.00	872.00
Capital Goods	0.00	1,057.00	713.00	1,734.00	4,382.00
EXPENDITURE IN FOREIGN EXCHANGE					
Expenditure In Foreign Currency	0.00	3,026.00	3,149.00	1,741.00	1,981.00
REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS					
Dividend Remittance In Foreign Currency	-	-	-	-	-
EARNINGS IN FOREIGN EXCHANGE					
FOB Value Of Goods	-	10,731.00	23,238.00	14,205.00	9,580.00
Other Earnings	-	596.00	305.00	122.00	97.00
BONUS DETAILS					
Bonus Equity Share Capital	-	-	-	-	-
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	-	2,056.00	2,580.00	750.00	364.00
Non-Current Investments Unquoted Book Value	-	5,048.00	1,926.00	5,032.00	878.00
CURRENT INVESTMENTS					
Current Investments Quoted Market Value	-	-	-	-	-
Current Investments Unquoted Book Value	-	-	-	-	-

Source : **Dion Global Solutions Limited**

A-Liquidity Ratio with interpretation

Current Ratio = **0.87**

Acceptable Range: Generally, a current ratio 2:1 is considered healthy.

Current Asset/Current Liability = 43094/49454

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

A current ratio of 0.87 indicates that JSW Steel has ₹0.87 in current assets for every ₹1 of current liabilities. This suggests that the company **may face challenges in covering its short-term obligations with its short-term assets**. Typically, a current ratio below 1 **indicates potential liquidity issues, requiring the company to either increase its current assets or decrease its current liabilities to improve its short-term financial health**.

B-Long term solvency ratio with interpretation

Debt-Equity Ratio = 0.89.

Acceptable Range: Typically, a debt-equity ratio below 1 is considered safe.

$$\text{Debt-Equity Ratio} = \frac{\text{Total Debt}}{\text{Shareholders' Equity}}$$

A debt-equity ratio of 0.89 suggests that JSW Steel has ₹0.89 in debt for every ₹1 of equity. This indicates a moderate level of debt relative to equity, showing that the company uses debt financing but maintains a manageable level of financial leverage. A ratio below 1 **typically implies a balanced use of debt and equity, which is favorable for long-term solvency and reduces financial risk.**

C- Profitability Ratio with interpretation

ROE = 11.8

Acceptable Range: ROE values above 10% are generally considered good.

$$\text{ROE} = \frac{\text{Net Income}}{\text{Shareholders' Equity}}$$

An ROE of 11.8% indicates that JSW Steel generates ₹0.118 in profit for every ₹1 of shareholders' equity. **This reflects the company's ability to effectively utilize its equity base to generate earnings, suggesting efficient management and profitability.** **strong returns on shareholders' equity, also indicating efficient management and robust profitability.**

$$\text{ROCE} = 13.2$$

Acceptable Range: A ROCE above 12% is typically seen as strong.

$$\text{ROCE} = \frac{\text{Earnings Before Interest and Taxes (EBIT)}}{\text{Capital Employed}}$$

A ROCE of 13.2% indicates that JSW Steel is generating ₹0.132 in earnings before interest and taxes for every ₹1 of capital employed. This shows the company's efficiency in using its capital to generate profits, providing insights into its overall operational performance. **effective utilization of capital to generate earnings, which is crucial for sustaining long-term growth.**

$$\text{ROA} = 4.33$$

Acceptable Range: An ROA above 5% is generally considered good, though it can vary by industry.

$$\text{ROA} = \frac{\text{Net Income}}{\text{Total Assets}}$$

An ROA of 4.33% indicates that JSW Steel generates ₹0.0433 for every ₹1 in assets. This ratio measures the company's effectiveness in using its assets to generate earnings, reflecting its operational efficiency. **company's is having good ability to generate earnings from its assets, reflecting operational efficiency.**

D- Market Test Ratio with interpretation

$$\text{EPS} = 36.03$$

$$\text{EPS} = \frac{\text{Net Income} - \text{Preferred Dividends}}{\text{Weighted Average Shares Outstanding}}$$

An EPS of ₹36.03 shows the portion of the company's profit allocated to each outstanding share, reflecting its profitability on a per-share basis. This is a crucial metric for investors as it indicates the earnings performance of the company.

solid earnings performance, making the stock attractive for long-term gains.

$$P/E = \frac{954}{36.03} = 27.7$$

A P/E ratio between 15 and 25 is often seen as reasonable, though this can vary widely by industry

$$P/E \text{ Ratio} = \frac{\text{Market Price per Share}}{\text{Earnings per Share}}$$

A P/E ratio of 27.7 suggests that investors are willing to pay ₹27.7 for every ₹1 of earnings. This higher P/E ratio can indicate that the stock is overvalued relative to its earnings or that investors expect high growth in the future.

$$P/B \text{ Ratio} = \frac{954}{318} = 3$$

$$P/B \text{ Ratio} = \frac{\text{Market Price per Share}}{\text{Book Value per Share}}$$

A P/B ratio of 3 means the stock is trading at 3 times its book value. This suggests that investors believe the **company's future prospects are worth more than its current net asset value**, indicating strong growth potential or a premium for the company's assets

DPR= 0%

- Formula:

$$\text{DPR} = \frac{\text{Dividends Paid}}{\text{Net Income}}$$

A DPR of 0% indicates that JSW Steel is not currently paying dividends from its net income. This suggests that the company is retaining all of its earnings for reinvestment in growth or other purposes, rather than distributing profits to shareholders.

DYR= 0.77 %

$$\text{DYR} = \frac{\text{Annual Dividends per Share}}{\text{Market Price per Share}}$$

A DYR of 0.77% provides insights into the dividend income investors can expect relative to the stock price. This ratio is useful for income-focused investors looking for steady returns, though it suggests a relatively low dividend yield compared to other investment opportunities.

DPS= 3.40

$$\text{DPS} = \frac{\text{Total Dividends Paid}}{\text{Outstanding Shares}}$$

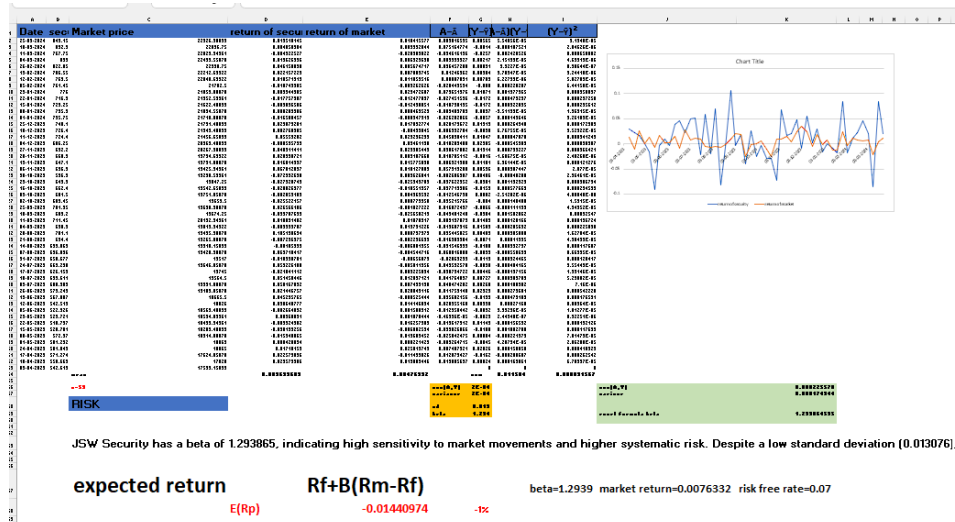
A DPS of ₹3.40 indicates the actual dividend amount paid per share, reflecting the company's commitment to providing returns to shareholders. This metric is crucial for assessing the income generated from holding the company's shares.

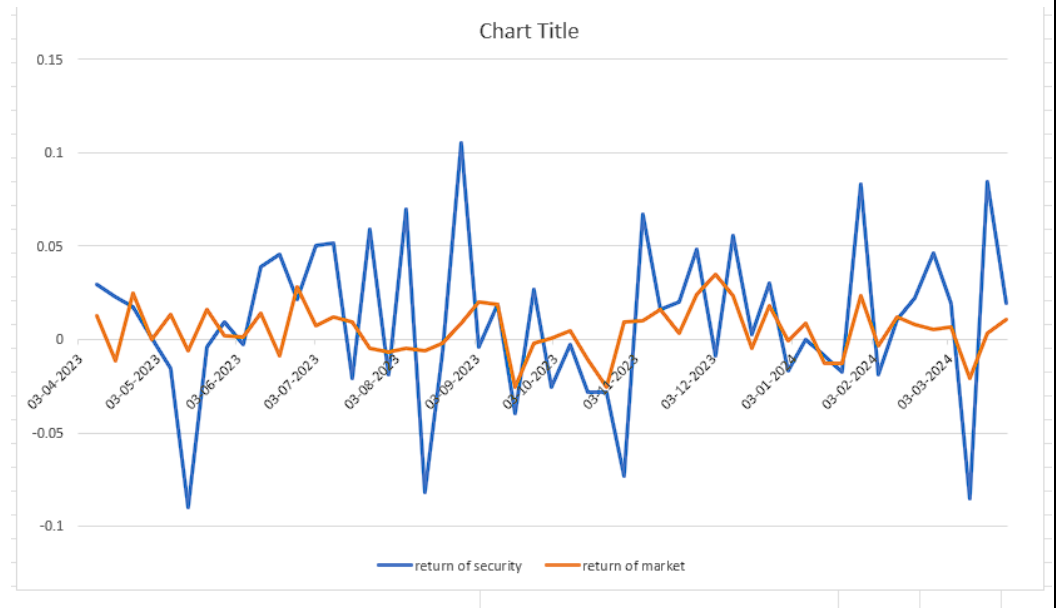
Overall Summary

or long-term investors, JSW Steel presents a mixed picture. The company's current ratio of 0.87 suggests potential liquidity challenges, but its moderate debt-equity ratio of 0.89 indicates a balanced use of leverage, reducing financial risk. Profitability ratios, such as ROE (11.8%), ROCE (13.2%), and ROA (4.33%), highlight efficient management and strong returns, suggesting robust long-term growth potential. The market test ratios reveal strong earnings per share (₹36.03) and a relatively high P/E ratio (27.7), indicating investor confidence and growth expectations. However, the modest dividend yield (0.77%) and DPS (₹3.40) show a focus on retaining earnings for reinvestment rather than high immediate returns to shareholders. Long-term investors should consider JSW Steel for its growth potential but remain cautious about its liquidity position. Swing traders might find the stock attractive due to its strong earnings performance and market confidence, indicated by the P/E and P/B ratios, but should be mindful of its liquidity risks.

E- Risk Return analysis with interpretation

1. Beta (for 52 weeks)





mean	0.0076332	0.00476332	var	0.01504	0.00089567
std			std(A,Y)	0.01226	0.000225578
RISK			variance	0.01504	0.000174344
			std	0.0388	
			beta	1.294	
			residual formula beta		1.29364535

JSW Security has a beta of 1.293865, indicating high sensitivity to market movements and higher systematic risk. Despite a low standard deviation (0.013076), its returns move with the market (positive covariance: 0.000221). Suitable for risk-tolerant investors seeking higher returns, risk-averse investors might avoid it due to its volatility in relation to the market

expected return	$R_f + B(R_m - R_f)$	beta=1.2939	market return=0.0076332	risk free rate=0.07
$E(R_p)$	-0.01440974	-1%		

B>1 the security is aggressive in nature

2. CAGR (Last 3 years)

Date	Adj Close	security	return	CAGR
01-04-2021	437.124	01-04-2021	437.124	0
01-05-2021	403.164	01-04-2022	535.8815	0.225926
01-06-2021	393.5106	01-04-2023	581.0433	0.084276
01-07-2021	427.4706	01-04-2024	929.65	0.599967
01-08-2021	373.2138			
01-09-2021	385.3919			
01-10-2021	413.1638			
01-11-2021	340.1448			
01-12-2021	373.5108			
01-01-2022	382.1741			
01-02-2022	420.639			
01-03-2022	527.5685			

Average	0.303389	30% absolute return
cagr	0.285992	28 % cagr

JSW Security has delivered a 30% absolute return and a 28% compound annual growth rate (CAGR). This indicates strong performance over the investment period, with significant annualized growth. Such impressive returns suggest potential for high future gains, making it attractive for growth-oriented investors.

CAGR = 28%

V- Technical Analysis with interpretation

1. Candlestick Chart of last one year



2. Line chart of last one year



- Identifying three support and resistance in line chart
(1-year , jan-3-2023 To July 6-2024)



S1:- support 1



S2:- support 2 at 786 rs



S3:- At 745 rs



R1



R3



Trading should not be done after breaking of support there can fall trap also known as trap trading people thought there will be buy by there is selling is done , so here we apply pull back method once the stock breaks the resistance we have to wait for its first pull back if short than go for swing if pull back in longer time than go for investing

- Applying the Dow-theory and find out three trends in chart.
Mention the time period

Showing Dow Line



Showing secondary line entry point

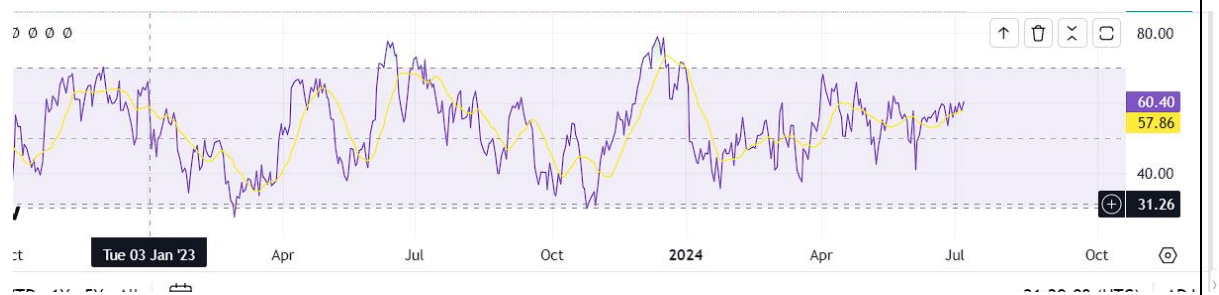


Showing the trend line entry point

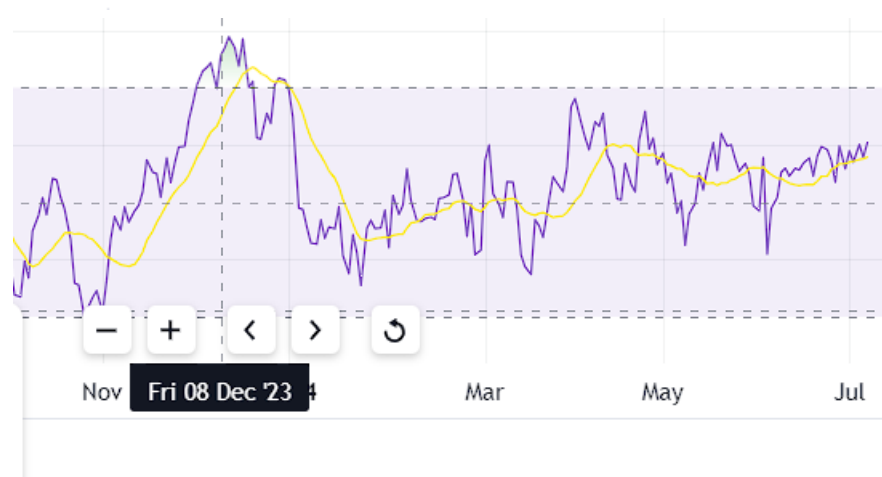
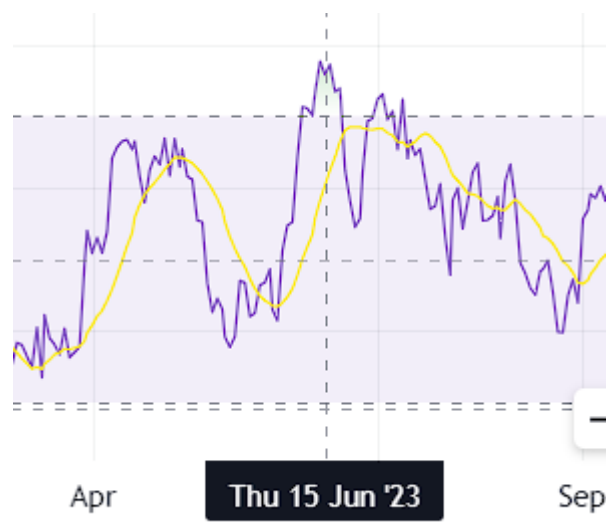


Secondary line should be greater than primary also showing the capping of stock as per Dow theory

- RSI of last one year



- identify overbought and oversold time period



VI- Peer comparison

- **JSW Steel stands out in the steel industry with a balanced profile**, demonstrating moderate valuation, efficient capital utilization, and substantial market capitalization. Compared to its peers, JSW Steel's P/E ratio of 27.7 is moderate, indicating that while it is not the cheapest stock, it is priced fairly given its performance and market expectations. Its ROCE of 13.24% signifies efficient capital utilization, outperforming many of its peers and reflecting strong operational efficiency.
- **Tata Steel**, with a higher P/E ratio of 34.13, is considered more expensive in terms of earnings valuation. However, its higher dividend yield of 2.06% might attract income-focused investors. Despite this, Tata Steel's lower ROCE of 7.02% indicates less efficient use of capital compared to JSW Steel.
- **Tube Investments** has an exceptionally high P/E ratio of 98.94, suggesting very high growth expectations but also potential overvaluation. Its ROCE of 26.05% is the highest among peers, showing excellent capital efficiency, but its low dividend yield of 0.08% makes it less attractive for those seeking dividend income.
- **Jindal Stainless** presents a similar P/E ratio to JSW Steel at 26.03 but has a lower market cap and a higher ROCE of 22.27%, indicating effective capital utilization. However, its lower dividend yield of 0.18% may not be appealing for income-focused investors.
- **SAIL (Steel Authority of India Limited)** offers a lower P/E ratio of 17.36, suggesting it might be undervalued. It also has a positive quarterly profit variation, unlike many of its peers. However, its lower ROCE of 8.24% indicates less efficient capital use compared to JSW Steel.
- **APL Apollo Tubes** exhibits a high P/E ratio of 59.47, indicating strong growth expectations. Its ROCE of 25.29% is attractive, showing efficient capital utilization. However, its low dividend yield of 0.32% may not attract income-focused investors.
- **Shyam Metals** has a moderate P/E ratio of 19.54, suggesting a reasonable valuation. Its ROCE of 10.94% is lower than JSW Steel's,

but still indicates solid capital efficiency. Its low dividend yield of 0.25% may not appeal to income investors.

Overall, JSW Steel strikes a balance between valuation, growth potential, and financial stability, making it an attractive option for both long-term and swing investors. It offers a mix of moderate valuation and strong profitability metrics, coupled with efficient capital utilization, which indicates robust long-term growth potential. The company's relative stability and market confidence, reflected in its strong earnings performance, make it a strong contender in the steel sector. While its lower dividend yield might deter income-focused investors, the company's higher ROCE and substantial market capitalization highlight its strong operational efficiency and market position.

VII- Your suggestion about this share/stock to investors



Suggestions for Swing Traders

Current Trend and Entry Point: "As we analyze the trendline and support levels, we notice a potential entry point at Rs 850 in the coming days. This means that if the stock price drops to Rs 850, it might be a good time to buy."

Short-Term Profit: "For swing traders, this Rs 850 entry point could lead to a short-term trade. We expect the stock price to rise above Rs 1000, at which point you can book your profit."

Suggestions for Position Traders

Entry Point for Long Position: "Position traders, who hold stocks for a longer period, can also consider entering the market at Rs 850. This price is a good entry point for a long-term investment."

Increasing Net Profit: "The company has shown consistent net profit growth from FY 2020 to FY 2022, and continues to perform well. This makes holding a long position attractive."

Financial Ratios: "The stock has a high Price-to-Earnings (P/E) ratio, indicating that investors are willing to pay more for the company's earnings. The Debt-to-Equity (D/E) ratio is also favorable, showing the company has a healthy balance between debt and equity."

Stable Shareholder Pattern: "The pattern of shareholders is stable, meaning that there is consistent investor confidence in the company."

Interest from Foreign Institutional Investors (FII): "There's been strong interest from Foreign Institutional Investors from FY 2020 to FY 2024. Although there was some fluctuation during election periods, overall interest remains high, indicating confidence in the company's future."